THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XVIII. Annual Subscription, $5.00 PUBLICATION OFFICE: TORONTO, FEBRUARY 22, 1924 Single Copies, 10 Cents No. 8

BETTER OUTLOOK IN THE HARDWARE AND STEEL TRADE

Spring Booking Improved—Larger Turnover on Smaller Stocks

THE PRICE TRENDS

Commodities Again Advancing and There is Some Fear of Inflation—Farmers Selling Farm Animals

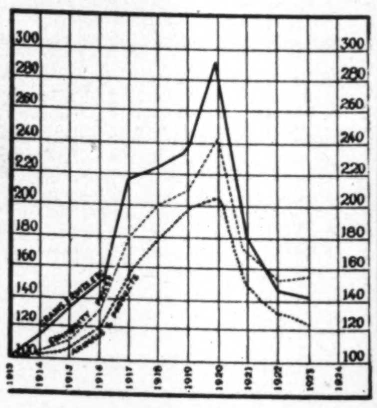
Moderately improved business prospects as compared with a year ago for the steel industry and the hardware trade, were reported by manufacturers, wholesalers and retailers at the convention of the Ontario Hardware Association at Hamilton last week. Steel plants at Sault Ste. Marie and at Hamilton are producing actively and the action of the International Union in ordering the striking workers in the Cape Breton district back to work, has cleared the air for the time being for Besco, although the strikers are dissatisfied and may even yet vote to defy the U.M.W. heads. Railway buying and the automobile industry account for large deliveries. Bookings for spring delivery to the trade show some increase. This particularly refers to Western Canada where the benefits of last year's big crop are being felt, especially in Alberta. Retail stocks are in good shape. Statistics gathered by Hardware and Metal indicate that retailers are improving their methods of merchandising; reports of 1923 business indicate an increase in turnover of 6 per cent. on 2 per cent. smaller stocks. The anticipated increase in consumer purchasing with the spring should quickly be reflected industrially with stocks on such a satisfactory basis.

Reports from Calgary and Vancouver confirm the indications of improvement in the West. Southern Alberta is experiencing a better demand for goods which should later be reflected in wholesale business. Improvement in the price of wheat is an important factor. Payments are better. In British Columbia business on the coast has a better tone and there is activity in the mining and lumbering industries, although in the latter the I. W. W. strike is interfering with production in the southern interior. Activities in lumbering are on a broad scale in Quebec. Price Brothers have more men in the woods than ever before, numbering three thousand.

Farmers Income and Outgo

While confidence is being maintained and prospects are somewhat better, there is little actual change in the current situation. The index of general business conditions in Canada, compiled by Professor H. Michell, of McMaster University, shows no very definite trend so far this year, as illustrated by the chart appearing on page three. A continued rise on a moderate scale in wholesale prices is forecast. A slowly improving state of trade for the next three months, without any very marked activity, is anticipated.

Further continuation of the upward movement in commodity prices, which started in 1923 and is being continued into 1924, will serve to aggravate a situation which has in recent years been affecting the profits and buying power of the farmer and thus affecting general prosperity. The accompanying chart indicates the upward trend in prices which started with the war and culminated in 1919 and has since been marked by a sharp reaction. It will be noted that while prices for the products of the farm continued downward in 1923, the prices for the farmers' supplies started up again. It will also be noted that the line indicating commodity prices which was much below the field crop line during the war and until the turn in prices crossed the latter on its downward movement in 1921, and is now considerably higher. It is this situation which has been largely responsible for the depression in the agricultural industry, particularly in Western Canada. And it has also been responsible, no doubt, for the fact that a large number of farmers have been disposing of their farm live stock, to judge by the rather alarming statistics on farm animals issued from Ottawa—the numbers of horses, cattle, sheep and swine all show very considerable reductions and only poultry shows an increase.



(Continued on page 13)

Vancouver Gets Grain; Less Through States

From Our Own Correspondent.

OTTAWA.—It looks as though the increased movement of grain for export through the port of Vancouver is having the effect of drawing off from United States ports a considerable quantity of grain that otherwise would go out through the latter. From September 1 to February 8 the deliveries at Vancouver were a little over 22,000,000 bushels, or double those for the same period last year. During the month of January only 1,626,000 bushels of Canadian wheat went out through American ports as against 4,384,000 during the same month a year ago.

OTTAWA FROWNS ON BIG SPENDING

"Soft Pedal" Put on Vancouver Estimates of $18,000,000 For Harbor Plans

From Our Own Correspondent.

OTTAWA.—Advocates of public economy got a chill the other day when it was announced from Vancouver that a representative of the harbor commissioners had been dispatched to Ottawa with estimates calling for an expenditure of $18,000,000. It was explained that there was no intention of spending all this in one year, which was somewhat of a relief, for that would have eaten up all the surplus that it is hoped Mr. Robb may announce.

It is not known definitely what happened to the Vancouver man when he arrived; but it is said that he was warned, if he ever again came east with estimates, not to tell the press before he started how much he was about to ask for. When one community asks for $18,000,000 it makes a number of others very hungry; for even if they really don't need the money they are inclined to say: "Well, we may as well have it as some other place."

That there is a tendency to resist demands is evident from the reply of Mr. Robb to the deputation of western co-operative delegates who wanted him to hand over the $560,000 of a surplus resulting from the operations of the Wheat Board. To most business men this may seem to have been a rather cool request, but it was nothing more than an expression of the general view of many that the government is a thing to be milked.

No New Plans Before Bay Sulphite Meeting

From Our Own Correspondent.

MONTREAL.—Bondholders of Bay Sulphite Company met this week and passed formal resolutions relating to the carrying on of their company by the liquidators. No announcement was made of any plans for reorganization, but the bondholders were told by J. H. Gundy that present earnings are at the rate of about one and a half times interest charges. The meeting was adjourned until March 25 and further reorganization or other matters in connection with the company will likely rest until about that time, for tenders for the property will be received up to March 21.

It is learned that certain offers for the acquisition of the plants have been made to those in control and are under consideration.

ASK COMMISSION ON ALBERTA COAL

Would Mean Costly Inquiry to Gather Information Already Available

From Our Own Correspondent.

OTTAWA.—There is about to be put up to the government a novel way for the getting of action in the matter of cheap rates on coal from Alberta to Ontario. One of the Ontario "dailies" is circulating a petition to have the government appoint a commission of competent men, who are to be wholly independent of the railways, to report on the question of low coal rates with a view of having the Canadian National Railways operate to promote the commercial necessities of the country "free from political interference."

This means the appointment of another commission, independent of the Railway Commission to investigate a subject falling within the class that the Railway Commission was specially created to deal with. Some one has figured out that the Dominion Government special commissions now operating have cost the country over $800,000. The Railway Commission is an efficient body and costs about $230,000 a year. How another body could do better work than it in investigating coal rates it is difficult to imagine.

It would be hard for such a body to get more evidence on the real point at issue than was brought out by a committee of the Senate and a committee of the House of Commons that inquired into the fuel problem last session. Before these the whole cost of moving coal at cost from Alberta was worked out to the satisfaction of everyone. The lowest cost that the Canadian National could estimate from Alberta to Toronto was $8.91 a ton, this being the actual out-of-pocket expenses, without allowing anything for overhead.

SHAKE-UP IN THE DEPARTMENT OF IMMIGRATION

Plan Aggressive Campaign to Secure New Settlers

From Our Own Correspondent.

OTTAWA.—There has been quite a shaking up in the Immigration Department, and other changes will undoubtedly follow. A great deal more punch is being put into the drive for immigrants, both at home and abroad. This means changes in the personnel. It is understood that W. D. Scott will in the near future, retire from the position of superintendent of immigration, having earned retirement. It is probable that his successor will be F. C. Blair, who, as secretary, has a good reputation for efficiency.

The transference of J. Bruce Walker from Winnipeg to Ottawa to take charge of publicity in the United States evidently means that a strong campaign for immigrants will be conducted across the line. Several thousands of letters of enquiry have been received during the last few months from the States, and these seem to indicate that many are disposed to move over. Only about 850 came over in January, but this number, though small, was 200 more than for the same month last year.

The total immigration during January probably ran about 5,000, which would mean an increase of well on to 100 per cent. over that for the same month in 1923. If that rate of increase is maintained throughout the year, the total immigration will run close to the 270,000 mark. But, of course, it will be hard to keep up this rate of increase.

Maritimes Want Lower Rate on Fish to West

From Our Own Correspondent.

HALIFAX.—With H. S. Congdon as its president, the newly-launched Maritime Club of this city is considering what steps should first be taken toward the advancement of a broad and comprehensive movement destined to improve the condition of the Maritimes. Mr. Congdon has referred to statements showing that the fish express rate from Prince Rupert to Winnipeg, a distance of 1,758 miles, is $3.59 per hundred pounds, while the rate from Halifax to Winnipeg, a distance of 1,923 miles, is $10.06 for the same quantity.

Newfoundland Power Co. Offering On Tapis

From Our Own Correspondent.

MONTREAL. — Despatches from St. John's, Newfoundland, this week carried the story of the sale of the St. John's Street Railway to interests associated with the Royal Securities Corporation, Montreal. As was pointed out in last week's issue, the re-financing of the project involves the insurance of about $1,000,000 of first mortgage bonds which may be offered next week. This company was formerly the Reid-Newfoundland Company, but will in the future go under the name of the Newfoundland Power Company. A new development planned is a power plant.

Buy $1,000,000 Toronto Carpet Co. Bond Issue

An issue of $1,000,000 Toronto Carpet Manufacturing Co. bonds has been sold to Hanson Bros., Montreal, and R. A. Daly & Co., Toronto. The Toronto Carpet Co. has an authorized capital of $2,000,000, of which $1,000,000 is 8 per cent. preference shares and outstanding common stock amounts to $637,900.

Some Plums That Canadians Kept

MONTREAL.—Great as has been the investment of outside capital in Canada, not all of the investment plums have gone to Americans or Britishers. There are many spectacular business successes that have returned profits almost exclusively to Canadians.

The Hollinger mine is an example of these. Hollinger has been largely owned by Canadian investors, the Timmins brothers, the McMartins of Montreal, D. A. Dunlap of Toronto and others who plunged with them at the start. The returns have been enormous and are certain to be great for many years to come, yet the dividends have not gone out of Canada to any great extent, for 92 per cent. of the stock is held in Canada and there are 6,000 shareholders.

Montreal "Power" is another concern that is largely Canadian in ownership. It has returned handsome dividends and bonuses of various kinds to its shareholders. To-day it has about 6,000 shareholders, almost all of them Canadians.

The Laurentide Company, until recent years the only really successful large paper company in Canada, was started with the help of American capital but control of the company and most of the stock is held in Canada.

Two other outstanding successful Canadian industries have been textile manufacture and flour milling and in the case of both of these industries, Canadian capital is thoroughly dominant.

These are some of the bonanzas that we have not shared with our neighbors to the south or across the sea to the extent of giving them the lion's share of the returns.

I.W.W. Would Extend Grip of B.C. Strike Throughout Canada

Secretary of Calgary Board of Trade Tells of What His Investigations Bring to Light—Ontario Lumbermen Being Organized—Finances from United States

Special Correspondence.

CALGARY.—After making thorough enquiries, John H. Hanna, secretary of the Calgary Board of Trade, comes to the conclusion that the I. W. W., by organizing the lumber dispute in Eastern British Columbia, is making an effort to tie up the entire lumber industry of the Dominion as a starting point to overthrow constitutional government, and introduce communism in its place. These efforts are being made in Canada, he concludes, because the activities of the I. W. W. are closely checked in the United States.

There is a growing feeling that the various governments in Canada must realize that the I. W. W. constitutes a menace, and, if such an organization is allowed to take root, it will cost the country thousands of dollars and perhaps lives to root it out.

That the campaign to be successful will not end in British Columbia, but will be extended to Ontario and other parts of Canada, is indicated by the following paragraph from the Industrial Journal, published in Seattle, January 15:

> "History means that the I. W. W. will be the one organization in the lumber industry of the American industry. It means a growth not limited by any international boundary lines. Thirty thousand lumber workers in the province of Ontario are watching every move in this struggle. Three thousand of them already organized into another union will vote to join the I. W. W. as a body if this strike is won."

"Fifteen thousand lumber workers of British Columbia are out in the present strike," according to Industrial Solidarity, the organ of the I. W. W. in Chicago, although the local official figures indicate that never at any time were there actually more than 1,000 men on strike. The following paragraph is typical of the way the situation is being presented to I. W. W. members and supporters:

> In one of the most splendid exhibitions of solidarity ever seen, 15,000 lumber workers of British Columbia are out on strike. They want the 8-hour day, release of class-war prisoners in the United States, a $4 minimum wage, and better conditions — real I. W. W. demands. They are fighting the entire Lumber Trust of Western Canada and the U. S. A.
>
> The British Columbia strike takes place in the heart of a sub-Arctic winter, with the whole country frozen solid. To be without warm shelter, clothing, and good food, is death.

The whole I. W. W. program is of course, "outlawed" by the recognized labor unions. The "other union" in Northern Ontario referred to is the O. B. U.

Operators Hold Firm

NELSON.—Notwithstanding continued activity on the part of the I. W. W to prevent men from other districts obtaining employment in the Crow's Nest and Golden territory of Eastern British Columbia, where 900 to 1,000 men have quit work, or been forced out, lumber operators report good progress in setting up the camps with new crews. No violence has as yet occurred, but the I. W. W. organizers are pursuing their usual tactics of veiled threats, raids on camps, etc., in carrying out their purpose. In very few cases did the I. W. W. succeed in closing individual camps completely, and some were able to hold at least 50 per cent. of their men. Log production has, of course, been seriously curtailed by reason of the trouble, and this condition will naturally be reflected in reduced lumber during the coming season.

Strikers are being lodged in vacant houses and other buildings in Cranbrook, and other parts of the district, and are being supplied with food by the I. W. W. Money for maintenance of the men and conducting the strike is furnished by I. W. W. organizations and sympathizers in the United States and Canada, the bulk of the funds coming from the States. Many of those with money have left the district, looking for employment elsewhere, and others would gladly return to work were it not for the fear of being annoyed. The leaders are likely to carry on as long as they can keep up a front and get sufficient contributions.

New York State to Cut Income Tax 25%

ALBANY.—Gov. Smith's proposal to save the income tax payers of the state $8,000,000 this year will be passed by the legislature with the aid of Republican votes. His bill lopping 25 per cent. off the income tax returns for 1923 was the subject of a long conference of Assembly-Republicans, several of whom indicated they would vote with the sixty-three Democrats.

TO DISCUSS THE PROBLEMS OF WEST

Important Economic Conference to be Held in Winnipeg in March

From Our Own Correspondent.

WINNIPEG. — Arrangements for the big economic conference to be held in this city in March are proceeding and the interest has considerably increased.

The idea of this conference originated with a public-spirited citizen of a very small rural village, William Iverach, of Isabella, Manitoba, who has been a member of the board of education and of the board of governors of the university. Mr. Iverach wrote to the premier, suggesting that in view of the difficult position of the farmers of the province, resulting in financial trouble for a large percentage of the people, such a conference might properly be called. The premier agreed but said that since the session of the House was impending his hands were full and he did not wish to become involved in a new matter. The retail merchants' association and the United Farmers of Manitoba then took action on the matter, and at a second meeting the banks, mortgage companies, tax payers' association, the real estate exchange and some other organizations, were also represented. An agenda for the conference was prepared and invitations to a preliminary meeting were sent out to about fifty Winnipeg organizations. Subsequent to this later gathering of representative citizens, a committee saw the premier again and it was arranged that the economic conference would be called by the government. A committee of ten was named to have the final details in hand and a number of meetings have been held and others will be held to make the last arrangements.

Recognition Will Not Enable Soviet to Purchase Goods

By JAMES MAVOR, Ph. D.

The recognition by the British Government of the Soviet of Moscow as the Government of Russia de jure may increase the prestige of the political group which now controls Russia, but it cannot directly increase its credit. Had the recognition been given and accepted under certain conditions, the credit of the Moscow Government might have been greatly enhanced, but an unconditional recognition rendered clearly without adequate knowledge of the situation succeeding the death of Lenin and with regard exclusively to the pre-election pledges of the Prime Minister, can have no economical effect.

If recognition by Great Britain is followed by that of other countries, the external prestige of the Soviet Republic may be regarded as in a measure established; but owing to the peculiarity of Russian politics, the effect of recognition upon the interior situation must be negligible. What Russia needs is not so much recognition as organization. Her educational, financial, commercial, industrial and transport systems have been ruthlessly destroyed, not by an external enemy, but by internal agency. The reorganization of these systems on some practicable basis is the fundamental necessity. In spite of the difficulties of the task, the new economic policy was functioning and fresh spirit was being diffused into the country which previous to its adoption had been sunk in the depths of despair. The social results of the modification of communism, which the new economic policy involved, were such as might be expected, viz., the growth of a new class of middlemen formed out of the incompetent elements which had brought ruin upon the country. Reaction against former complete communism soon led these elements to over-reach themselves. Still powerful, the "sound" communists turned upon the new "bourgeoise" with fury and according to the reports, banished a large number of them with their families to Siberia. Such consequences were, under the conditions, bound to happen and they must continue to happen until a new spirit dawns in the Russian people. The emphasis laid upon the state by the minority, which has gained control of it, has bred a hatred of the state and as well a

(Continued on page 16)

MINERS OBEYING ORDER OF LEWIS TO GO TO WORK

Situation in Cape Breton is Very Much Improved

ARE NOT SATISFIED

Going Back Because International Will not Give Financial Support—Much Depends on Referendum

SYDNEY.—With the miners returning rapidly to work and Besco already starting to bank four hundred thousand tons of coal for the St. Lawrence summer trade, the outlook for the remainder of the winter is much more prosperous than any one dared to hope at this time last week. Steady employment seems assured in Cape Breton and the mainland for the next half year at least. With the settlement of the coal trouble, steel and allied industries are fast returning to normal, and it is expected that the Sydney steel mills will be working full blast again by the middle of the week.

The men are not satisfied by any means, but for the time being at least are obeying International instructions.

Numerous local disputes and one-day strikes such as usually follow a hastily-executed contract, may be expected for some months yet. In fact, these miners' rows have already started and mines have been tied up for short periods even since the men were ordered back to work by the provisional executive. There is, of course, a possibility that the miners may flare up and reject the agreement altogether at the polls, but this is considered unlikely under the circumstances.

The latest holdouts to yield to the International authorities are Thorburn and Stellarton locals in the rich Pictou field, which for several days after the Cape Breton miners went back to work staged an outlaw strike of their own against what they consider the unsatisfactory terms of the new agreement.

However, the fact that the men are going back to work should not be taken as proof that they are satisfied with the new scale. Far from it. They are simply between the devil and the deep sea. And in the emergency they prefer the International devil they know to the sea of local organization about which they are doubtful.

Financial Aid Refused

As pointed out last week, the actual wage increase to the minimum ratings is very small owing to the increased price of coal, house rentals, and so forth. The outcry of indignation was at first intense and had there been any

(Continued on page 16)

Vancouver Reaps Harvest From American Tourists

From Our Own Correspondent.

VANCOUVER.—An increase in auto travel of actually 61 per cent. for nine months over the figures for 1922 (12 months) was reported at the annual meeting of the Greater Vancouver Publicity Bureau. These figures showed that 62,037 American cars from every state in the Union registered through the custom house and the amount brought to the city by these cars was placed at $8,800 000, while the total derived from the tourist trade, including that by boat and rail, reahced the sum of $24,000,000

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The Transfer Books will be closed from the 15th to the 29th day of February, both days inclusive.

By order of the Board.
J. W. HAMILTON, General Manager.
Winnipeg, January 18th, 1924.

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IS RANCID CREAM CAUSE OF DECLINE IN BUTTER EXPORT?

Smaller Market, Lower Price For Canadian Product

RUDDICK'S STATEMENT

Is That Liming is to Reduce Acidity; Canadian Grocer Says That he Evades the Real Question

The fact that exports of butter from Canada in 1880 were 18,535,365 lbs., while during the fiscal year ending March, 1922, they dropped to 8,450,591 lbs., has raised the question as to what is the matter with the Canadian dairy industry. The situation is aggravated by the fact that the butter of New Zealand and some other countries commands a considerably higher price in the British market.

It has been contended by Canadian Grocer that the chief reason for the falling off in exports of Canadian butter to the British market, and the relative weakness in price, is that the Canadian product is lacking in keeping quality. It is argued that the reason for this is that a good deal of it is made from rancid cream which has been limed. Butter made from limed cream does not have the same keeping quality as butter made from cream in the proper condition, it is contended. At the Western Ontario Dairymen's convention, held at London recently, John A. Scott, official butter grader, mentioned that the quality of butter was getting better, and that more attention was being paid to the grading of cream. In reporting this statement, however, Canadian Grocer reiterated its statement regarding limed cream, and said that while there was some improvement there was still much to be done.

This brought a statement from J. A. Ruddick, commissioner, Ottawa, that the use of lime in cream is to reduce acidity so that the cream may be properly pasteurized.

Replying to Mr. Ruddick, Canadian Grocer states that there is a distinct difference between liming to reduce acidity and liming to neutralize rancidity. Continuing:

This looks like an evasion of the facts by Commissioner Ruddick. This characteristic lack of courage has been responsible, in a large measure, for the poor quality of Canadian butter and loss in export trade. The reason why some Canadian butter is of poor quality is clearly and frankly stated by the Minister of Agriculture, the Hon. Mr. Motherwell, on page 3423 of "Hansard." Replying to a question, "Why Eastern Canadian butter in not in demand in the British market," he says: "It is due to the fact that a lot of cream is over-ripe or over-fermented, whichever you like, before it gets to many of the central creameries in Ontario, and that tends to injure the whole reputation of the country."

Admitted by Minister of Agriculture

Again, on page 3271 "Hansard," during a debate on an amendment to The Dairy Industry Act, the following dialogue is reported:

Mr. Tolmie: "The word 'renovating' here does not interfere with the liming of cream?"

Mr. Motherwell: "No. A big evil is creeping in, in connection with the cream that has reached too high a state of fermentation when it reaches the creamery. There is no doubt that the inferior quality of a good deal of the butter that is turned out, is due to this evil."

Mr. Tolmie: "Does the Minister think that we could make butter fit for competition with European manufacturers competing in the British market, if we used cream of that kind?"

Mr. Motherwell: "No."

What object Commissioner Ruddick has in camouflaging the facts, is difficult to say, but the Minister of Agriculture states explicitly that a lot of the cream is over-ripe or over-fermented. The treating of such cream with lime, the Minister characterizes as a big evil, and admits that butter made from such cream cannot successfully compete with other butters on the British market. If rancidity and other foul odors contained in over-ripe or over-fermented cream are not removed by the combined process of liming and pasteurizing, does the Commissioner want us to infer that the compounds causing the odor have combined with the lime and are still retained by the butter in combination?

Explains Poor Keeping Quality

Canadian Grocer maintains that over-ripe and over-fermented cream is rancid cream, and the combined processes of neutralization and pasteurization remove, in part, the rancidity, and the butter for such cream is of poor keeping quality and flavor. This is corroborated by Mr. W. A. Wilson, whom Hon. Mr. Motherwell sent to the Old Country to investigate conditions, who says: "Because of quality and lack of uniformity, we find other butters selling at a premium of ten to thirty shillings per hundred weight, over Canadian on the British market."

The Law in Australia

Further, on page 31 of Mr. Ruddick's own report, under the caption "Digest of Dairy Law in Australia" a compulsory regulation is quoted to this effect: "Over-ripe cream must be denatured with some harmless coloring matter, or have kerosine added thereto, to make such cream easily identifiable." This shows that such cream cannot be used for making creamery butter for export as is done in Canada. No such regulations obtain in Canada, but on the contrary, as Mr. Motherwell says, the treatment of over-ripe cream with lime is a big evil, and is the cause of the inferior quality of a good deal of the butter that is turned out and tends to injure the whole reputation of the country.

As regards New Zealand, Mr. Ruddick, in his own report on that country, says, on page 11: "A superior quality of cream is received. A large part of it is fit for table use. The average acidity is from 0.3 to 0.40 per cent. It is not uncommon at some creameries for all the cream to be first grade for weeks at a time." It is apparent from this statement, that the quantity of over-ripe cream in New Zealand is negligible, if in fact, it exists at all.

Canadians in general are interested in the remedy and in re-establishing our reputation for good butter, and would suggest that Commissioner Ruddick follow his Minister's lead and fearlessly face the facts by recommending restrictive regulations for butter making similar to those of New Zealand and Australia. When this is accomplished, Canadian butter will secure and maintain her former coveted reputation in the markets of the world.

It is highly important that Canada should maintain her reputation as an agricultural country in export markets. This we can hardly do if we export products of inferior quality. Canadian butter should not take second place to the butter of New Zealand or any other country.

DECLINE IN LIVE STOCK ON FARMS

Less Horses, Cattle, Swine, and Sheep, but a Big Increase in Poultry

From Our Own Correspondent.

OTTAWA.—On the farms of Canada there were 118,230 fewer horses during the last fiscal year than there were in 1922, the numbers being 3,530,641 and 3,648,871 respectively. This was a decrease of 283,000 as compared with 1921, which held the record for the number of horses on Canadian farms.

The number of cattle is also being rapidly reduced. In 1923 it was only 9,246,231, a reduction of 473,000 within the year, and of nearly 1,000,000 as compared with 1921. Canada has not as many cattle on her farms to-day by 800,000 as she had in 1918.

The number of sheep was also reduced by 510,000 during 1923, or from 3,263,000 to 2,753,000. In fact on Canadian farms there were about 970,000 fewer sheep than there were in 1920.

As for swine, there was a decided increase of about 490,000 last year, or from 3,915,000 to 4,405,000. At that, however, there were 116,000 fewer than there were in 1918.

In poultry the country is going ahead by leaps and bounds, there having been an increase of about 2,500,000 during the year. As a matter of fact the number of poultry on Canadian farms has increased by one-third during the last three years. The increase during the year was chiefly in hens, of which there were apparently about 2,000,000 more than in 1922. Turkeys also came along strongly, there having been an increase of about 500,000.

Since 1920 the number of automobiles in Canada has been increased by over one-third, but it is impossible to say what the percentage of increase on farms has been.

COCKSHUTT PLOW

The Cockshutt Plow Company annual meeting was held with his Honor Harry Cockshutt, president, presiding. The old board of directors was re-elected and officers named as previously: President, H. Cockshutt; vice-presidents, F. Perry and A. K. Bunnell; other directors, Sir Augustus Nanton and G. Baker.

TARIFF RULINGS

Canadian and Foreign Decisions of Interest to Exporters and Importers

RUMANIA.—Inasmuch as the Rumanian import tariff, effective since June, 1921, represents in general only 2 to 8 per cent. of the value of imported goods because of the depreciation of the leu, an upward revision of the tariff is being prepared.

AUSTRALIA.—The operation of the increased duties on the items shown below, previously deferred to December 31, 1923, has been further postponed until June 30, 1924:

Sewing machines; machine heads; chain; writing and typewriter paper, in sheets not less than 16 by 13 inches; airplanes and other aircraft; metal cordage; cartridges, not specified; powder, sporting.

BRITISH GUIANA.—The law permitting free entry into British Guiana of motor vehicles manufactured in the United Kingdom, which became effective January 1, 1924, has been repealed by further legislation of February 1, 1924. Customs duties on motor vehicles imported from the United Kingdom into British Guiana remain as they were formerly, i.e., 16 2/3 per cent. ad valorem on cars manufactured in any British area, and 33 1/3 per cent. on cars imported from any other country.

GREECE.—All flour entering Greece will be subject to a strict chemical examination made by a competent chemist of the custom house.

CANADIAN TRADE BETTER IN FIRST MONTH OF YEAR

Favorable Balance of Trade Shown For January

MONTREAL.—Canadian flour exports during January exceeded even the high figure for January, 1923, and totaled 1,052,259 barrels, as against 1,025,357 barrels in 1923.

Canadian exports on the whole showed a small increase during January and as imports declined during the month, the net result was to turn an adverse balance of $3,426,903 in January, 1923, into a favorable trade balance of $3,107,107 in January, 1924.

Ten Months' Favorable Balance

For the ten months' period of the fiscal year ending with January there is shown a favorable trade balance of $140,757,333, which compares with an excess of exports over imports in the corresponding period of the previous year of $151,961,763, and of $20,523,567 for the ten months ending with January, 1922.

Following are the exports and imports for the month of January and for the ten months ending with January, with comparisons:

	Jan., '24	Jan., '23	Jan., '22
Exp.	$69,575,167	$64,658,942	$46,198,080
Imp.	66,468,060	68,085,845	51,476,253
Bal.	†$3,107,107	x$3,426,903	x$5,278,173

† Favorable. x Adverse.

	Ten Months Ending Jan., '24	Jan., '23	Jan., '22
	$	$	$
Exp.	885,436,739	797,237,683	634,654,918
Imp.	744,679,406	645,275,920	614,131,351
Bal.	†140,757,333	†151,961,763	†20,523,567

† Favorable.

The following table shows the exports for the month with comparisons:

	Jan., 1924	Jan., 1923
Agric. prod.	$24,668,326	$22,229,282
Animals, etc.	10,063,295	9,289,341
Textiles, etc.	519,892	916,213
Forest, etc.	18,232,590	18,365,388
Iron and steel	5,037,491	5,023,524
Other ores	6,970,916	4,526,957
Non-metals	1,654,336	2,490,109
Chemicals, etc.	1,152,985	1,198,434
Miscellaneous	1,275,336	916,566

The following table shows imports for the month of January as compared with the corresponding month:

	Jan., 1924	Jan. 1923
Agric. prod.	$13,694,565	$11,204,029
Animals, etc	4,080,782	4,627,812
Textiles, etc.	16,956,348	16,515,272
Forest, etc.	2,954,462	2,768,476
Iron and steel	10,408,188	10,686,880
Other ores	3,249,517	3,278,125
Non-metals	10,301,177	13,976,635
Chemicals, etc.	1,751,830	1,777,553
Miscellaneous	3,071,100	3,251,063

Canadian Brick at Serious Disadvantage

A higher tariff on whiteware pottery and building brick is to be urged on Ottawa by the Canadian National Clay Products Association. In case of the former Canada has its first plant in operation at Oshawa. Others are contemplated and a measure of protection is to be urged to aid its development and expansion. In the matter of building brick, lower freight rates in the U. S. and closer proximity to a fuel supply are factors. It is contended that U. S. brick makers can absorb customs duties and still have a decided advantage over the Canadian product.

How Canada's Grain Industry Has Grown

From Our Own Correspondent.

OTTAWA.—The magnitude of last year's grain crop is set forth in the returns for the number of cars of grain inspected during the five months of the crop year to January 31st, which is given as 246,401, an increase of 35,000 over the number for the same months last year. For the same months in 1901-02 the inspections were only 34,415 cars.

The increase in elevator capacity of Canada during the last quarter of a century has been remarkable. In 1900-01 there were only 426 elevators with a capacity of 18,329,000 bushels. By 1910-11 this had been increased to 1,909 with a capacity of 105,642,000 bushels. In 1920-21 the number of elevators had still further increased to 3,855 and the capacity to 231,213,000 bushels. In 1922-23 the elevators were 4,020 and the capacity 238,107,000 bushels.

Labor Fears Soviet Propaganda

In some quarters THE FINANCIAL POST has been regarded as an alarmist in calling attention to the serious situation being created by soviet propaganda. It may be pointed out, however, that the menace is recognized in England, where Premier MacDonald has decreed that if the Russian government is to be recognized, it must be understood that soviet propaganda shall stop. It may also be pointed out that the menace is appreciated in the United States, where evidence has been brought to light of a campaign to end in the flying of the red flag over the White House. The Canadian Labor World says:

When Tchitcherin, soviet foreign minister, cabled his audacious note to President Coolidge he got his fingers pinched in the door which Secretary Hughes slammed with such admirable vigor.

The soviets then, with nerve enough but no sense, said they had conducted no propaganda in America and wanted to lay the whole question before a commission of inquiry.

No inquiry is needed. Secretary Hughes showed his feelings by silence, properly. He proceeded to make public the latest soviet instructions to agents in America, ordering organization of "groups of ten," with a nucleus in each group having rifle practice weekly in military order so that before long they might fly "the red flag over the White House."

If anybody wants facts about soviet propaganda in the United States, facts are available.

The soviets have talked too much. Their own records tell the story. From the beginning they have made the American Federation of Labor the object of their attack. The plan has been and is to destroy the American Federation of Labor as a condition precedent to destroying the American republic and its government. In other words, "get the A. F. of L. first and then get the rest."

International Labor News Service has made public many of the soviet propaganda movements and agencies, as well as plans of operations and quotations from official orders.

International Labor News Service here presents a summary of some of the facts about soviet propaganda in the United States. There are some more facts available; these are sufficient to convict.

The sane labor element in America like the sane labor element in England is strongly opposed to red propaganda and revolutionary methods. But the insidious campaign can only be combated by such efforts as a serious situation demands.

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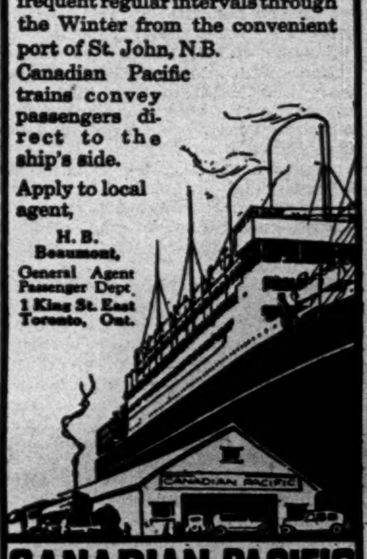

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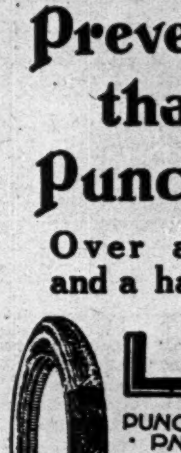

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The Grain Movement

OTTAWA.—Preliminary figures showing the receipts at head of the lakes also Vancouver, B.C., for the period from September 1st, 1923, to February 8th, 1924:

	Fort William and Port Arthur	Vancouver, B.C.
Wheat	233,577,177	22,285,385
Oats	25,289,412	130,313
Barley	10,406,369	......
Flax	3,442,386	......
Rye	4,193,002	124,655
Total	276,908,346	22,540,353
Same period 1923	241,603,231	10,987,260
Increase over last year	35,305,115	11,553,093

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ABOLITION OF OIL BOUNTY WILL KILL WEST. ONT. OUTPUT

Ottawa Fears Gushers in West May Come in and Swamp Them

SITUATION SERIOUS

Petrolia Producers Want Finance Department to Investigate Before Taking Action

From Our Own Correspondent.

PETROLIA. — Oil producers here are a unit in demanding that the Dominion Government should send a representative from the finance department to this district to conduct an investigation of conditions in the oil fields before carrying into effect the move announced some time ago to cut the bounty on crude oil produced in Canada. One-half of the 1½ cents per gallon on crude oil is slated to come off by July first this year, and the remainder is to be wiped off at the same date in 1925.

Of course the fields in this district are not producing oil as they did in years gone by, and that is the reason why producers have not been able to break even in 1923. The market has been subject to fluctuations that have been sharp and frequent, and as low a price as $1.80 has been paid on several occasions. Many of the producers have to settle their oil accounts every month, and sell at the price then prevailing, as they have not the money to hold for a higher price that may come later on.

The oil industry has received some consideration from the government of Canada from the time of the MacKenzie government shortly after confederation. For a long time there was a duty on crude and refined oil coming into Canada, but in order to keep the Canadian refineries going all the time it was found necessary to change this method. In 1896 both Mr. Fielding and the late William Paterson visited this district and investigated the conditions. Their plan was a good one. They took the duty off the crude so that it could be brought in from the States, and the Canadian workmen were given the benefit of the work accruing from making this into the finished article. The duty was changed to a bounty on the production of crude oil in Canada. That stabilized conditions and the oil industry became a good proposition.

There is at least $2,000,000 invested in the fields around here, and production costs have increased until now it is not possible to make a profit under a price of almost $3 a barrel on most of the properties.

The reason given for taking off the bounty was that there might be great gushers brought in from the Fort Norman fields, in which case the Government would be swamped with the demands made for a bounty. A bounty would not be necessary in case of gushers, and the producers here would be glad to have the bounty limited to wells that gave five barrels per day and under.

Once the bounty goes there will not be more than one or two properties at Bothwell and Oil Springs that will be able to produce, and there will be no market for their product unless they care to deliver it themselves at Sarnia.

Production over a period of years has been fairly even, as shown by the figures of the bounty office here:

Year	Barrels
1915	212,495
1916	196,876
1917	202,991
1918	288,700
1919	220,110
1920	181,749
1921	172,858
1922	164,731

This is the only district in Canada, except a few wells in the maritimes, where oil is produced in Canada. Men have gone from here all over the world. A dozen left last week for Venezuela. It was a Petrolia man who brought in the great gusher in the Mesopotamia field. One banker estimates that these men send home at least $150,000 a year from all corners of the world, and in this way a lot of money is put in circulation.

The big objection of the men engaged in the business, and who have everything tied up in the field, is that such a radical step should not be taken by the Government without the finance department making a survey of the local situation. A conservative estimate says that at least fifty per cent. of the wells will be pulled up when the half of the bounty is cut off, and that very few of them will continue production when it is entirely eliminated.

Horses Being Rapidly Replaced by Farm Auto

NEW YORK.—New evidence that the faithful horse is being slowly displaced by the automobile and farm tractor comes in the 1924 report of the Department of Agriculture on the number of farm animals of the various classes in the United States as compared with those of corresponding dates in earlier years. It shows, says the Trade Record of The National City Bank of New York, that the number of farm horses in the country at the beginning of 1924 was only 18,263,000 against 21,555,000 in 1918 a fall of 3,290,000 or 15 per cent. in the six-year period.

Even if we go further back, says the Trade Record, and compare conditions in 1924 with those of the year preceding the war, 1913, the fall off in horses on farms is 2,304,000, or about 11 per cent., while the number of other farm animals shows an increase of 2,326,000 in the same period. Even more startling is the fact that the stated farm value of the horses fell off $1,101,940,000 in the period from 1913 to 1924.

Coking Tests to Find Anthracite Substitute

An important experiment has just been concluded at Hamilton, when the Dominion Fuel Board made tests on coking Nova Scotia soft coal. Coke is now regarded by Government officials and others as one of the most promising solutions of the fuel problem of Ontario and Quebec. It is believed that the results of the Hamilton tests will be an incentive to the establishment of plants in Toronto, Montreal and Ottawa.

SHREDDED WHEAT COMPANY

The Shredded Wheat Company, including the Canadian Shredded Wheat Company and the Pacific Coast Shredded Wheat Company Consolidated, reported net income for the year 1923 amounting to $1,276,989, a decrease of $246,568 from the preceding year. Operating earnings were $1,740,626, which is $347,815 less than was reported for 1922. The item of good-will was written down from $1,000,000 to $500,000. Dividends amounting to $1,000,176 were paid. The balance carried forward into 1924 was $1,570,176, which compares with $1,755,403 brought forward from 1922. The amount reserved for depreciation was $172,932 and the company reserved $290,705 for taxes. The company's assets are valued at $12,733,085.

MIXED FARMING INSURES FUTURE SOUTH ALBERTA

Irrigation Makes a Great Variety of Crops Possible

LETHBRIDGE.—Southern Alberta for several years past has experienced a period of partial crop failures due to a lack of moisture, except in 1923, when 40,000,000 bushels of wheat alone were produced on the Lethbridge rail division, the greatest crop ever taken off the land in this part of the West. Economic conditions are much improved as a result of this great harvest. While the farmers have little ready cash they have been able to pay a lot of debts and straighten up their taxes. Then, too, the morale of the farmers of Southern Alberta is greatly improved and they look to 1924 with confidence.

R. J. Dinning, former manager of the Bank of Montreal here, and now liquor commissioner for Alberta, at a salary of $9,000 a year, at a luncheon prior to his departure for Edmonton to assume his new duties, said that Southern Alberta would be transformed in the next ten years, declaring that mixed farming would do it. "I think agriculture in this part of the west is on the up-grade. I believe our farmers have seen the worst of the hard times," he added.

He cited the extension of irrigation, the growing of corn, the stocking of the farms and the summer fallow methods now generally practiced in this section. Corn will be one of the big crops this year, the Milk River Valley Corn Association having acreage pledged of over 2,000 acres. "Raise Corn and Feed More Hogs," is the slogan in those parts. Dairying is also on the increase, the Crystal Dairy Company having a shippers' list of some 600 farmers.

Prospects for a beet sugar refinery in 1925 are now rosy. The Utah-Idaho Sugar Company, a corporation with a capital of $25,000,000, have promised to erect a factory providing the farmers will raise 6,000 acres of beets at least, yearly. This acreage is practically assured. The Lethbridge Board of Trade is behind the movement, and the irrigation farmers are enthusiastic over the prospects.

Colonization of surplus irrigated lands on the Lethbridge Northern scheme, a tract of 105,000 acres, through which runs a canal system financed with Alberta government guarantee, is now engaging the serious attention of the government, and three agents are in Europe selecting immigrants for small mixed farms on this area. They already have 50 Dutch families ready to immigrate. They are operating chiefly in Switzerland, Holland and the Scandinavian countries and the United Kingdom.

WANT CAPITAL BUT STILL PASS PROTECTIVE ACT

Saskatchewan Government Wants Club but Not to Use

From Our Own Correspondent.

REGINA.—Whether it would be more conducive to the welfare of the people of Saskatchewan to have legislation which in case of need might give the debtor an extension of time in settling with a creditor, or whether it would be in the public interest to remove from the statute books any legislation empowering the government to exert pressure upon such firms by the threat of an individual moratorium, the rescinding of the act conferring these special powers upon the Lieutenant-Governor-in-Council automatically releasing millions of capital for the farmers of the province, this is the question which brought out a most animated debate in the Saskatchewan Legislature.

D. H. McDonald, a member of the opposition, opposed the bill and declared that such powers should rest with the legislature and not with the government.

Driving Out Capital

D. A. McNiven, barrister, one of the two government supporters from the city of Regina, declared that such legislation might frighten away capital from the province as certain legislation in adjoining provinces had driven away capital. He knew of one company that was now ready to loan over two million dollars in Saskatchewan but was unwilling to make loans so long as such legislation was in force. Even though the government of Saskatchewan had never exercised the powers given it by the act, "we should not enact any legislation which would retard the progress of the province or divert the flow of capital to those who need it, it would be a wonderful advertisement for Saskatchewan if it were announced to the whole world that we are now on the up grade and there is no need for such legislation."

A government supporter declared that while the powers of the government were not used they stood out as a warning and it was reassuring to men who were hard pressed to know that the government could stand back of them in case of need.

Too Much Credit

J. A. Maharg, formerly president of the Saskatchewan Grain Growers and former leader of the opposition, said that he realized the immense powers given the government but these powers had never been abused.

"The question is one of two things," he said, "whether it is more desirable to extend the present liabilities of the farmers of Saskatchewan or whether it will be of more benefit to extend the time for payment of our present liabilities. Personally, I doubt whether the extension of credit at the present time would be desirable. Perhaps if we had had less credit a few years ago we would be in a better position than we are to-day. I believe the Act should remain in force another year."

Hon. C. M. Hamilton, minister of agriculture, said the government had found that in most cases the creditors, especially the loan companies, were disposed to be fair and give the man on the land every chance to make good.

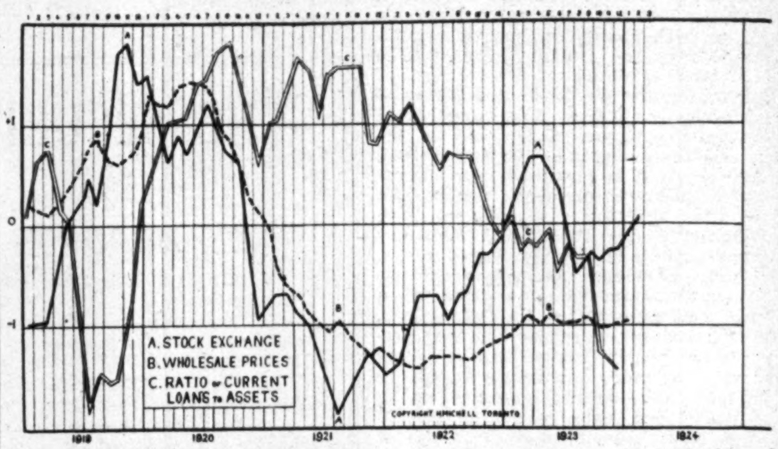
The bill providing for a renewal act was given its second reading as urged by Premier Dunning.

EASY PAYMENT PLAN

DETROIT.—Enrollments under the Ford Motor Co. $5 weekly payment plan now total 255,758. Unfilled orders are showing a trend similar to last spring when, at the peak, orders were 300,000 cars in excess of production capacity. Continued heavy snow the country over is construed as a good omen for spring automobile sales, because it means less moisture and dry roads during the selling season. There is no clear intimation yet of an increase by makers in the Ford-Chevrolet-Overland field, but manufacturers in this class are closely watching the price situation.

Index of Business in Canada

By PROF. H. MICHELL, McMASTER UNIVERSITY.



Stock prices continued to advance moderately during the period January 15 to February 15; wholesale prices advanced slightly up to the end of January, but the ratio of current loans to total assets of the banks fell again up to December 30. So far as can be judged from these movements, wholesale prices are due to rise moderately for some months to come. The problem to be solved is how far the average of common stocks will rise? This depends, in very large measure, on the movement of the line C, that is to say on the support the banks will be able to give to business in the near future. There is no doubt that we can expect an upturn of the line C during the next month; a glance at the chart will show that such an upturn is an invariable seasonal movement at the beginning of the year. It is fairly safe to predict that the upward turn will be sustained for some months; the liquidation of loans has probably gone as far as it can at present. This should give more support to industry, leading to better business conditions.

The forecast for the next three months is, therefore, a slowly improving state of trade, without any very marked activity. The movement of the lines A and C should be watched with care as their relation to each other is the most important indicator of the future. This is merely saying that movements in stocks reflect the financial support that business can rely on, and that this forecasts the future trend of general business conditions.

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GRAND TRUNK FACTS

The Grand Trunk Railway was the pioneer Railway of Canada and was built with the money of the British Public, who subscribed to Grand Trunk Stocks because they believed in the success and future prosperity of Canada, a Dominion under the Crown. Dividends were earned and paid on the 1st and 2nd Preference for ten years up to 1914, and intermittently on the 3rd Preference.

The Grand Trunk Pacific was the first cause of the Grand Trunk difficulties. This line was built by the Grand Trunk Railway to meet the policy of a Canadian Government. Owing to "War conditions," wages and costs increased enormously, and a heavy loss was caused because freight rates were not increased to an equivalent extent. It was not until four months after the Canadian Government acquired the Line that the Canadian Railway Commissioners gave any adequate increase, when the freight rates were amended by percentage increase of 35% to 40%, and on passenger rates by an increase of 20%.

It cannot be said that the Stockholders of the Grand Trunk have received the benefit of high rates for freight, since even now, with the increase added, Grand Trunk wheat freights have been sworn to be 44% less per mile than in the United States, and are among the lowest in the world, a result achieved by British money.

Ex-President Taft, the independent arbitrator, said the Junior Stocks were worth 48 million dollars, and that the Line would show a surplus in 1926. It is highly probable that a surplus may be shown for 1923 to 1924. The two Canadian arbitrators took a particular day in 1921 and decided that on that day the Grand Trunk Stocks were of no value, but the question of the value of the equity was not settled, and has not been settled yet.

F. B. LACY,
Hon. Sec. Grand Trunk Committee,
325, Winchester House,
London, E.C. 2,
England.

Dated 11th January, 1924.

Canadians to Attend British Industries Fair

Fred Field, British Trade Commissioner, announces that among the numerous Ontario buyers who will probably visit the British Industries Fair are the following:

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News and Views for Investors

NATIONAL STEEL CAR ORDER

Canadian National Railways have ordered construction of eleven cars costing $400,000 by National Steel Car of Hamilton. The order includes 7 baggage cars and 4 combination baggage and smoking cars.

DOMINION POWER

Dominion Power and Transmission earnings for 1923 will show an advance of $1,000,000 to slightly over $4,000,000, due to an increase in power sales. It is understood that the 1923 report will show that Hamilton Street Railway and other transportation lines of the company will show a falling off from 1922.

CANADIAN WESTINGHOUSE

The erection of a large new foundry with a capacity thirty per cent. greater than its old one is being undertaken by Canadian Westinghouse. The new structure will be located in the west end of Hamilton, miles from the present one. The present foundry can handle a heavy tonnage of small castings, but has not the capacity nor is the building strong enough for the turning out of large generators. The present day demand is for a steady increase in the size of generators. Westinghouse, in its new foundry will be able to turn out the biggest. An order for $230,000 structure steel for the new foundry building has been placed with Dominion Bridge, Hamilton.

INDUSTRIAL ALCOHOL

Canadian Industrial Alcohol stocks were listed in Montreal this week. The listing papers show a fair distribution of the stock, considering the fact that it has been traded in on the unlisted department, which means that it has not been bank collateral. On February 11, 1924, there were 291 shareholders, 205 of which were holders of 1 to 100 shares. The company has 83 buildings, built of brick on stone foundations. They consist of fermenting still and cooker houses, having a capacity of six million proof gallons of alcohol yearly; grain elevator and mill capable of storing 25,000 bushels of grain, and iron tanks with a capacity of 2,500,000 gallons of molasses. The storage capacity is 3,400 000 gallons. The stock opened above 284.

MEXICAN COMPANIES

Mexican Light, Heat & Power and Mexican Tramways officials are hoping that the elections to be held in July of this year will have a stabilizing effect and that they will be able to quickly negotiate a settlement of their large claims against the government. Mexico Tramways has a claim of $1,628,205 plus paper money on hand, $76,448. Due from Mexican Light, Heat & Power is $2,552,718 interest, and demand loan and interest $1,758,371. The payment of the tramway's interest arrears is largely dependent on the payment of the settlement of the power company's account, and revenue received from the investment in the power concern. On the other hand the payment of the Mexican Power interest arrears is dependent on the payment of the claim of $3,661,987 due for power and light, from the government, state and municipal governments.

TEXTILE COMPANIES

With hardly any exceptions the textile industry in Ontario and Canada generally has been experiencing a dull season. The knit goods mills have been faring better than the mills that specialize on woven goods. The companies that manufacture lines in which there is little or no foreign competition appear to have been enjoying the greatest activity. For instance a mill in Renfrew, Ont., that turns out mackinaw cloths has had a very prosperous season. Another firm that is making a popular line of overcoatings is quite busy filling orders for next season.

At Hespeler, Ont., a larger mill that is operating much below capacity on suitings is doing better in the knit goods section. Conditions are not by any means uniform but it is known that some of the knit goods people at any rate have been enjoying fair activity, considering the raw cotton situation, and are looking forward to a continuance of production at a good rate.

CANADA BREAD

Canada Bread directors did the expected when they placed the common stock on a 4 per cent. dividend basis. The holding of the market advance around 73 presaged this. There were some who were disappointed that it was not 6 per cent. and this resulted in some profit taking, the stock sagging to 70 and later recovering somewhat. Four per cent. is to be paid out of 1923 earnings, payable April, to shareholders of record March 16. After April the stock goes on a 4 per cent. basis. The last dividend on the common was paid in 1917. Canada Bread has carried out a heavy program of expansion and this delayed the time when surplus earnings would be distributed on the common stock. However, it is now well established in many large centres. Its capital is $1,250,000 preferred and $2,500,000 common. Funded debt stands at $1,077,400. The company owned 14.39 per cent. of the common stock last year.

LAKE SUPERIOR CORP.

An erroneous report got about this week regarding Lake Superior Corporation's plans for refinancing and expansion. As a result it is announced that refinancing plans are the same as they were twelve months ago. Outside interests have been working steadily on a reorganization plan for some time. Progress is said to be necessarily slow. The main problem is to line up the English bondholders and to get them and the Philadelphia interests to accept the new scheme. If this reorganization scheme goes through then there would be some new capital brought in. The obtaining of the new funds is said to be one of the minor worries of the promoters of the reorganization scheme.

CITY DIARY COMMON

Common shares of $25 par value issued on a basis of four new for one old, instead of non-par shares on a basis of three new for one old, is the latest proposal for City Dairy re-capitalization. The new stock will pay 3 per cent. or on a basis of 12 per cent. on the present common shares, now selling at 180. The reason for dropping the non-par share proposal, as explained by S. J. Moore, chairman of the board, is that it is contrary to Canadian practice to form provincial companies with shares of no par value. He said that directors had decided that it was advisable to retain the present Ontario charter. In the event of an issue of non-par stock it would be necessary to secure a Dominion charter. The company will apply for supplementary letters patent authorizing the increase in common shares from 5,650 to four times that number, and changing the par value from $100 to $25.

Security Life Shows a Gain in Insurance

The annual report of the Security Life Insurance Company presented last week shows the company to have $7,697,028 of insurance in force on Dec. 31, a gain of $1,284.202 for 1923. The total business issued and revived during the year was $2,602,918.

The cash premium income for the year was $185,245, and the income from interest totalled $25,204. The death claims amounted to $11,101, with $3,000 reinsurance, making the net death losses $8,101.

Some changes have been made in the Board of Directors. Mayor W. W. Hiltz, Toronto, who has been on the board for some time, has been elected president to succeed Sir Henry M. Pellatt. J. O. McCarthy is general manager.

Saskatoon Street Railway Showed First Profit

SASKATOON.—For the first time in its history the Saskatoon Municipal Street Railway has shown a profit in its year's operations. In 1923 the profit was $4,418, as compared with a net loss of $3,400 in 1922, according to a report issued by the city commissioner.

Total revenue obtained by the street railway during the year amounted to $276,864, as compared to $278,059 for 1922. Fixed charges for the year dropped from $77,611 in 1922 to $75,611, while operating expenses, excluding fixed charges, also dropped from $203,866 to $197,147.

Public Utility Earnings

CAPE BRETON ELECTRIC
(Including Leased Property)
Earnings for December, 1923

	Dec., 1923	Increase
Gross Earnings	$66,081	$1,119
Oper. exp. and taxes	51,772	x2,759
Net Earnings	$14,309	$3,879
Interest Charges	5,662	58
Bal. for Res., Rep. & Div.	$8,647	$3,820

x Decrease.

12 months ending December 31

	Dec., 1923	Increase
Gross Earnings	$701,214	$74,976
Oper. exp. and taxes ...	608,563	55,879
Net Earnings	$ 92,651	$19,096
Interest Charges	67,781	584
Bal. for Res., Rep. & Div.	$24,870	$18,511

Railway Earnings

Canadian Pacific Railway

Week End:	1924	1923	Change
Feb. 14 ..	$3,168,000	$2,539,000	+ $629,000

Canadian National Railways

Week End:	1924	1923	Change
Feb. 14 ..	$4,405,497	$3,823,318	+ $582,179

MARKET BROKE BADLY DURING THE PAST WEEK

Decline on Canadian Exchanges was General with Gains Very Few

WAS AT THE PEAK

Stocks Have Moved up Steadily and Business Conditions Did Not Warrant Further Advances

Group	Total	Gains	Losses	Unch.
Banks	11	4	3	4
Pulp, paper .	10	0	9	1
Steel	13	2	9	2
Milling . ..	12	0	4	8
Utilities . ..	10	1	4	5
Tractions ..	10	0	2	8
Textiles . ..	9	0	2	7
Industrials .	17	1	13	3
Total	92	8	46	38

The above table tells quite clearly what has happened in the Canadian markets during the past week. The first signs of weakness were followed by a general rush to take profits. This is the explanation of the selling advanced by several who are in close touch with the market. Only the banks, usually purchased for investment purposes, stood up in the downward drive. Four issues of this group made gains, half of the total gains of the week. These for the most part were fractional and were in a measure offset by declines in three of the groups. Losses were almost six times the gains, while 38 stocks remain unchanged. The main explanation of this column is that most of the issues were not traded in. Had they been prominent in the trading to any degree, they would have added materially to the losses of the week.

The explanation of the break in the market as generally advanced on the street, is that it was to have been expected in the face of present business conditions. Since last October there has been a fairly steady rise in the market. This advance has been slow and steady and not of the spectacular type. Many looked for it to continue. However, it is pointed out that the top price of any stock is made on a basis of value and yield, with the additional discounting of any possible favorable news. For the present there are no signs on the horizon that business is going to improve to a degree that would warrant higher prices. While present business could be much better, many traders held that present and future earnings in sight did not warrant the recent high price of many stocks and that a break had to come.

From the above table it will be noted that the industrials were among the groups to react badly. Some of the street leaders contend that to them high-priced speculative industrials have looked quite unattractive for some time. The same feeling seems to have been shared in regard the pulp and paper group. There have been some sharp advances recorded by several of this group of late and a setback was not unexpected, though it was hardly thought that a break as general as this week's would come. The following table shows the extent of this:

Stock	Week opening	Week Close
Abitibi C. ..	64½-64	64-67
Brompton ..	42¼-41¾	41-40½
Laurentide ..	93½	91½
Price B.	45	44
Prov. C.	—	90
H. Smith C. .	71	68-66½
Spanish C. .	113	108-105
Spanish P. .	117¾	114¾-110¾
St. Maurice ..	102½	100
Wayagamack .	43	42

BROWN CORPORATION STOCK IS OFFERED

Big Pulp Producer Makes Issue of $2,000,000 of Preferred Shares

From Our Own Correspondent.

MONTREAL.—One of the largest Canadian pulp companies that has never in the past come prominently before Canadian investors, made its bow to the financial community this week, when Newman Sweezey and Company and the Dominion Securities Corporation, offered $2,000,000 of preferred stock of the Brown Corporation. The stock is 7 per cent. cumulative and bears what is an interesting guarantee from the Brown Company, the parent organization in the United States. The Brown Company, which is the largest manufacturer in the United States of bleached sulphite pulp and kraft wrapping paper, undertakes to redeem these shares at 105 and accrued dividends if at any time four successive quarterly dividends are passed.

The offering is made at 98½ United States funds, and dividends are payable in United States funds.

The Canadian company's investment is extensive, consisting of a sulphate pulp mill at La Tuque, Que., with a daily output of 220 tons, extensive timber limits, both freehold and leasehold, amounting in all to about five thousand square miles, an undeveloped water power of 140,000 h.p., and a developed water power of 4,400 h.p.

The company's timber limits are for the most part situated in the St. Maurice River Valley, in which district timber limits are in greater demand than anywhere else in Canada.

The value of the fixed assets, which amounts to $583 for each preferred share, after deducting other liabilities, do not take into account the great potential value of their large undeveloped water power within a few miles of Shawinigan Falls.

Canadian Associated Gold Fields' shaft is said to be down 835 feet. It will be continued to 1,000 feet. Plans to start mill construction in the spring are going ahead.

Want Utilities Free of Government Interference

The governors of the Investment Bankers' Association of America have adopted the following resolution which deals with public utilities:

Whereas, light, heat, power and transportation and telephone services are indispensable factors in modern life, and represent in the United States an investment of more than 15 billion dollars, which has been supplied from the savings of countless investors, and

Whereas, the ever-increasing demands of the public for additonal services will require further vast sums from the same sources, and

Whereas, many years of experience have unquestionably proved the wisdom of state regulation of public utilities in the interest of the communities served and of the invested savings,

Now, therefore, be it resolved that the Investment Bankers' Association of America deplores any attempt by direct legislative enactment to establish property valuations, specific rates, or character of services.

BELL AND MARCONI LINK UP SYSTEMS

President of Bell Telephone Expresses No Fear From Radio Developments

From Our Own Correspondent.

MONTREAL.—Bell Telephone does not fear competition from radio. The president, Lewis B. McFarlane, points out in his annual report than on the other hand the company has made arrangements to link up with wireless communication.

On the subject of radio broadcasting, Mr. McFarlane says:

"The use of the wire telephone system will prevail wherever physical and economic conditions make possible its construction and maintenance, but wireless may be a valuable supplement in special circumstances.

"So far as can now be predicted, the field of wireless telephony will be that of broadcasting national or other announcements of public interest, and for private use where wires are not available."

He points out that a traffic agreement has been worked out with the Marconi Wireless Telegraph Company. On this point, Mr. McFarlane says:

"By this combination, a telephone user — when arrangements are completed—will be able to speak by wire through the nearest land station of the Marconi Company and thence by wireless with a person on board ship on the rivers, lakes or in mid-ocean. In course of time subscribers here may also be able to speak by telephone to persons in Great Britain or the continent."

CROWN TRUST WILL BUILD NEW OFFICES

Profits of Montreal Institution Increased During Year Just Closed

Improved profits for the Crown Trust Company, Montreal, are shown in the annual statement for 1923. The percentage of earnings to capital were 10.53 per cent. in 1923 against 10.11 per cent. in 1922 and 8.40 per cent. in 1921. Following are comparative figures:

	1923	1922
Gross profits	$126,464	$118,253
Management, etc. .	73,876	67,692
Net profits	$ 52,588	$ 50,561
Bal. forward	22,949	17,388
Trans. from res...	......	10,000
	$ 75,537	$ 77,949
Dividends	30,000	30,000
Reserve	25,000	25,000
	$ 20,537	$ 22,949

The general manager, Lt. Col. Irving P. Rexford, stated that the company would commence on May 1 the construction of its own office building. This will be located on St. James Street in Montreal, and will be for the exclusive use of the Crown Trust.

All of our departments during the year experienced gratifying increases in business and earnings.

The company's investments are mainly in Dominion of Canada Government Bonds, in well secured first mortgage loans in the District of Montreal, and in call loans secured by high-class listed collateral.

Our holdings of Dominion Government bonds are carried at a book value which is considerably below the listed market price on December 31st.

MASSEY-HARRIS FOUND THINGS A LITTLE BETTER

But Still Faced Loss After Profits on Land

Improved conditions in the agricultural implement industry are indicated in the annual report of the Massey-Harris Company for 1923. However, while the sales for the year exceeded those of 1922 by 16 per cent., they were still only about two-thirds of what may be termed normal. Thus, while increased production enabled the factories to operate upon a more uniform and economical basis, the income for the year of $1,120,937 was only made available by including profits realized from sale of timber lands. Deducting interest and appropriation for depreciation, possible losses, exchange, taxes, pensions and insurance, totalling $1,143,385, created a net loss for the year of $22,448. While this was a much more favorable showing than the deficit of $642,000 in 1922 and $1,456,000 in 1921, the loss would undoubtedly have been greater had it not been for the profits from the sale of timber land and these, while not definitely referred to in the report, are understood to have been in the neighborhood of $350,000. Deducting the net loss of $22,448 for the year the surplus account now stands at $750,152.

The total assets amount to $42,379,815, of which $31,819,642 or 75 per cent., are quick assets. Deducting current liabilities of $11,209,983 the net liquid surplus of working capital is $20,609,659. The current assets include inventories of $14,912,537 and bills and accounts receivable $14,507,366. Referring to the general situation the report says:

Serious losses have been generally experienced by practically all makers of farm implements in Canada and the United States during the past three years. Your combined companies have been no exception, since they suffered a net loss in 1921 of $1,456,000, in 1922 $643,000 and in the year just closed $22,448. Due to the close relationship which exists between agriculture and the implement industry, its present condition is but a reflex of the unfavorable position at home and abroad of its only customer—the farmer. While the outlook is not entirely clear, it is hoped that a turning point has been reached for both the farmer and the implement maker, and that hereafter their operations may be carried on upon a more profitable basis.

COMMERCIAL FINANCE CORP. YEAR

Over $2,000,000 in automobile paper was purchased by the Commercial Finance Corporation, Ltd., for the year ended December 31, 1923, and retail sales of over 4,500 cars financed. Net income increased over 300 per cent. when compared with the previous year and was equal to over 14 per cent. on the preferred stock outstanding.

Net income amounted to $46,870, compared with $14,186. Adding the balance forward of $20,493 and deducting dividends at the rate of 7 per cent. on the preferred, with adjustments applicable to prior periods, amounting to $24,674, surplus stood at $42,688.

Total assets are up from $938,097 to $1,359,980, and current assets from $414,717 to $842,467. Current liabilities are shown at $432,655, leaving net working capital of $409,812 against $355,261.

Current Events
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Premier Trust's Profits Showed an Increase

Net profits of the Premier Trust Company for 1923 were $10,313 compared with $8,821 in the previous year. Following are comparative figures from the profit and loss account:

	1923	1922	1921
Net profits	$10,313	$8,821	$7,168
Bal. forward ..	87	221	1,568
	$10,400	$9,042	$8,736
Dividends	7,578	6,955	6,515
Reserve	......	2,000	2,000
Written off ...	1,707	......	......
Balance..	1,115	87	221
	$10,400	$9,042	$8,736

Seven Years' Record

	Capital account	Guar. account	Estates, trusts, etc.
1917	128,500	20,436	31,039
1918	137,941	21,776	307,486
1919	139,536	33,026	344,604
1920	141,362	42,540	443,567
1921	152,691	52,690	652,401
1922	155,880	66,990	706,449
1923	$157,216	$90,426	$773,317

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THE SECURITY LIFE INSURANCE COMPANY
OF CANADA

REPORTS SUBSTANTIAL PROGRESS IN 1923

The Total Insurance in Force on the Company's books on December 31st, 1923, amounted to $7,697,028, on 6,300 policies.

During the last five years the Company has issued and revived Total Insurances of $10,699,018, and the actual Gain in Insurances in Force for the five-year period has been $6,036,741. The actual Gain in Insurances in Force for the year 1923 was $1,284,202.

The Death Claims for the year 1923 were on 15 policies on 15 lives calling for payments of $11,101. Against this the Company had reinsurances of $3,000, leaving the actual net Death Losses for the year $8,101.

The steady progress of the Company's business is indicated by the following figures as given in the Annual Statements of the Company:

Year	New Business Issued and Revived	Total Insurance in Force	Gross Cash Premium Income	Cash Interest Income	Reserves for Protection of Policyholders
1923	$2,602,918	$7,697,028	$185,244.72	$25,204.33	$494,343
1921	2,241,700	6,011,195	139,663.69	15,693.05	314,988
1919	1,733,500	3,009,937	83,550.45	5,851.72	153,250
1917	474,240	1,380,300	39,037.21	4,989.87	77,405

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CANADA IS THIRD OF THE WORLD'S FOREST NATIONS

Two Countries Ahead of Us in Forest Areas and Two in Production

From Our Own Correspondent.

MONTREAL.—Canada ranks third among the countries of the world in forest resources and third also in the annual production from its forests. Occupying such a high rank in each of these classifications of forestry, Canada may be regarded as one of the world's leading forest countries, both as regards the present cut of wood for fuel, for lumber and for pulp and paper, and as regards the potentialities for the future.

Russia has the largest forested areas of the world. These forests cover 440 million acres in Europe and 1,083 million acres in Siberia. Brazil, which has vast areas of tropical hardwoods, ranks second as to forested areas with 1,000 million acres of forested land and Canada comes third with 597 million acres. The United States has 550 million acres of forested lands in addition to Alaska's 95 million acres. The world has 7,487 million acres of forest land.

Strong in Coniferous Woods

Most of Canada's forested forests consist of coniferous woods, such as pine, hemlock, spruce, etc., the soft woods that have wide value for building purposes and as the raw material of the pulp and paper industry. Canada ranks second in the world in its coniferous forest areas. Russia has 387 million acres of conifers in Europe and 788 million acres in Siberia. Canada has 547 million acres and the United States 340 million acres. Alaska is the next nation of importance in conifers and has 90 million acres. The world has a total of 2,645 million acres of coniferous woods and it is, therefore, apparent that Canada has more than one-fifth of the world's softwood forests. Much of Canada's forest areas is, of course, in the far north where the commercial value of the woods cannot be easily estimated.

In hardwood forests of the type to be found in the temperate zones of the world, Canada does not rank very high and has only 50 million acres of the world's 1,204 million acres of temperate hardwoods. Siberia has 325 million acres; the United States 210 million acres; China, 95 million acres; Japan, 61 million acres; Russia, in Europe, 53 million acres, and Canada 50 million acres.

Canada, of course, has no tropical hardwoods, such as teak, mahogany, etc. Brazil has about 1,000 million acres of tropical hardwoods, a large proportion of the world's total.

Cutting Wood Rapidly

The world is cutting about 56,000,000 million board feet of wood yearly. Of this about 26,000,000 million board feet is saw timber, and the remaining 30,000,000 million board feet is firewood. The United States is cutting wood more rapidly than any other nation and is utilizing its forests at the rate of about 24,300,000 million board feet yearly which is almost half the world's annual cut of wood and which is 20,000,000 million board feet yearly faster than the United States can grow timber. The United States cut takes in about 13,750,000 million board feet of saw timber and 10,500,000 million feet of fire wood.

Russia ranks next to the United States in the production of lumber and wood and cuts 7,000,000 million board feet yearly, divided about 4,000,000 million board feet for saw timber and 3,000,000 million board feet for firewood.

Canada ranks third in production of wood and is estimated to cut about 2,500,000 million board feet of timber annually, divided 1,100,000 million board feet of saw timber and 1,400,000 million board feet of firewood. As there are not accurate figures of the amount of timber that grows in Canadian forests yearly, the amount by which growth exceeds cut or vice versa cannot be estimated.

The figures used are largely from the new "Forest Resources of the World", published in the United States a few weeks ago.

FEDERAL ZINC GETS ROAD TO PROPERTY

Looks For Early Development At Big Gaspe Peninsula Mine

From Our Own Correspondent.

MONTREAL. — After expending about $600,000 towards the development of the lead-zinc properties in the Gaspe Peninsula, the Federal Zinc and Lead Co. has advanced another step towards the completion of this development work by getting a grant of $50,000 from the province of Quebec towards the construction of a road to its property. The lack of proper transportation facilities to the mine has made it impossible to transport boilers and other mining equipment to the property, and construction of a highway will make it possible to proceed with the erection of a concentrator and a lead smelter.

This property, which has the backing of T. O. Lyall, of Montreal, and a group associated with him, has been explored and developed for about 8½ years, but because of numerous difficulties, such as the construction of a highway to the property, it has never been possible to commence actual production or smelting at the properties.

Excellent results have attended the exploration work to date on this property, and have confirmed the original estimates as to the extent and nature of the lead-zinc occurrences.

While to date the property has been almost entirely financed privately by Mr. Lyall, and his associates, it is quite possible that there will be some sale of securities to the public later on, although the directors have made no statement on this point. Of the $600,000 spent to date only about $20,000 has been raised by public subscription, but before the final construction of the plant at the property it is possible there will be an offering of stock to the public. The general manager of the Federal Zinc and Lead Co. is giving a paper on this property before the annual meeting of the Canadian Institute of Mining and Metallurgy in Toronto on March 6. At this meeting he will describe the nature of ores that have been blocked out and which differ from the zinc-lead ores of the British Columbia mines in that they have not the complex nature of British Columbia ores, presenting engineering and metallurgical problems that have only recently been solved by the engineers of the Consolidated Mining and Smelting Corp.

Big Increase in the Value of Alberta's Crops

EDMONTON.—Total value of Alberta field and fodder crops for the season of 1923 is placed at $171,026,804 by the provincial department of agriculture, as compared with $100,542,384 for the season of 1922. The total value of all agricultural products for 1923, including field and fodder crops, animals slaughtered and sold, dairy products, wool, game and furs, poultry and poultry products etc., is placed at $223,814,304, compared with a total value for 1922 of $150,488,699.

Value of livestock in the province is placed somewhat lower in 1923 than in 1922, the comparative figures being $109,487,256 for 1923, and $112,691,139 for 1922.

BIG SHIPMENTS OF APPLES

HALIFAX.—The total number of the barrels of apples shipped from Halifax this season is 1,120,142 barrels. This is considerably ahead of last year's showing.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING FEBRUARY 19

	Div. Rate	Yield Feb. 18	High For week	Low For week	Close Feb. 19	Close Feb. 12	Sales For week	1924 Range High	1924 Range Low
Banks—									
Commerce (New)	....	....	183	183	183	183	16	186	180
Commerce	12+1	7.09	185	182	183	186	224	188	182
Dominion	12+1	6.96	187	186	187	186	83	187	181
Hochelaga	10	6.66	150	149½	149½	150	173	150½	143½
Imperial	12	6.89	176	173	176	174	87	176	173
Molsons	12	7.82	153½	153½	153½	154	7	159½	153
Montreal	12+2	5.78	242	241	242	240	136	248	239
Nova Scotia	16	6.26	255	252	252	252	35	255	248
Royal	12+2	6.52	217	214	214	216	202	217	211
Standard	12	7.25	165½	165¼	165⅛	165½	23	168	165
Toronto	12	6.79	176¼	176	176	176	47	179	175⅜
Union	8	7.40	109¼	106½	108	107½	55	109¼	105
Paper—									
Abitibi, com. (no par value)	4	6.34	64½	62	64	64¾	1970	69	60½
Brompton Pulp (no par value)	....	....	42¼	40	41	42⅜	2780	42¼	39
Laurentide	6	6.52	93½	91½	91½	93	1673	98½	89¼
Price Bros.	2	4.34	45	44	44	45	230	45	40⅜
Prov. Paper, com.	6	6.66	90	90	90	85	25	90	85
Smith, Howard, com.	6	8.95	71	66½	66½	72	338	75	63
Spanish River, com.	7	6.42	113	105	105⅜	113½	16805	114	99⅜
Do. pref.	7	6.08	117¼	110	111	118½	4861	119½	105½
St. Maurice Paper	6	6.00	102½	100	100	103	598	113¼	100
Wayagamack	....	....	43	42	42	43	155	46	42
Steel and Steel Industries—									
B. E. Steel, com.	....	....	5	5	5	5	5	5	3¼
Do. 1st pref.	7	12.96	54½	53⅜	54	55¼	340	56⅛	53
Do. 2nd pref.	....	....	16½	14¾	15	16⅜	1065	16⅜	13
Can. Car & Foundry, com.	....	....	41⅜	39½	39½	41	310	43	36½
Do. pref.	7	7.86	89¼	88½	89¼	89	570	89½	84½
Can. Locomotive, com.	4	6.06	67	66	66	..	85	67	66
Do. pref.	7	7.91	88½	87¼	88½	87	18	88½	85
Dominion Coal	7	8.97	79	78	78	79	35	81	78
Dominion Iron, pref.	7	13.20	53	53	53	53	5	56	53
Dominion Bridge	4	5.63	71	71	71	74½	10	80	65
Dom. Steel Corp., pref.	6	8.33	72	72	72	72½	10	73	71⅜
Ontario Steel, com.	4	9.30	44	43	43	45½	15	45½	43
Steel of Canada, com.	7	9.21	77¼	74¾	75	77¾	1743	79½	74¾
Do. pref.	7	6.86	102½	101½	102	102½	53	102½	100
Milling—									
Canada Bread, com.	....	....	73	70	72	73	263	74¾	66
Do. pref.	7	7.18	97½	97½	97½	97½	129	97½	95
Lake of Woods, com.	12	6.77	177	177	177	177	5	177	167
Do. pref.	7	5.83	120	120	120	119	15	120	117½
Maple Leaf, com.	....	....	69	66¾	66¾	66⅛	100	69	60
Do. pref.	7	7.56	93½	91	91	94	104	95⅜	87
Inter Milling, pref.	7	7.29	96	95	95½	96	92	96	95
St. Law. Flour, com.	6	8.57	71	70	70	71	160	73	68½
West. Can. Flour	8	7.61	105	105	105	100	15	105	100
Utilities—									
Bell Telephone—Rights	....	....	4⅜	4¼	4½	5	1709	5	3¾
Bell Telephone	8	6.25	128¼	127¼	128	128	578	130¼	125
Consumers Gas	10	6.00	166¼	165½	166½	165	67	166¼	159½
Dom. Telegraph	6	6.74	44½	44½	44½	44½	12	44½	44
Kaministiquia	8	7.27	110	110	110	109	15	113½	109
Mackay, com.	7	6.03	119¾	115	115	119	878	120¼	110¼
Do. pref.	4	5.63	71	70¼	70¼	71½	240	71½	66
Montreal L. H. & Pr., Cons	7	4.54	157½	152¼	155⅜	156¾	7340	161¼	140⅜
Montreal Telegraph	8	7.69	52	52	52	52	2	52½	51
Ottawa L. H. & Pr.	6	7.31	82	82	82	86	1	86	81
Quebec Power, com.	....	....	71½	71½	71½	71½	30	72½	65½
Do. pref.	7	7.52	93	93	93	90	9	93	90
Shawinigan	7	5.38	132	128¼	128¼	132	810	135½	118½
Transportation—									
Canadian Pacific Rly.	10	6.57	153	152	152	153	51	154	149½
Canada Steamships, com.	....	....	12	11	11	12	115	14½	11
Do. pref.	....	....	42¼	42	42	42½	357	46	42
Tractions—									
Brazilian	4	8.16	49¼	47	40	48⅜	10977	49¼	41¼
Detroit Un. Rly.	6	9.52	69	61	66½	69	1369	72½	61
Duluth-Superior	....	....	32⅜	32	32¼	32⅜	185	35	30⅜
Illinois Traction, com.	$2.00	2.76	75	72¼	72¼	72	75	75	60
Do. pref.	6	6.63	90½	90½	90½	90¼	10	91¼	87
Montreal Trams.	10	6.49	154	154	154	157½	30	159	154
Porto Rico Rlys, com.	....	....	23	22	22	24	20	25	18
Toronto Railway	....	....	84¼	82⅜	82½	85	1450	86½	80
Twin City, com.	6	9.23	65	65	65	65	351	69	63½
Winnipeg Elec. com.	....	....	28½	28	28	28½	304	30	27⅜
Do. pref.	7	8.33	83¼	83½	83½	83	30	85	82¼
Textiles—									
Can. Converters	7	8.33	84	84	84	85½	10	90	82
Can. Cottons, com.	8	7.96	101	100¼	100½	102	145	111	100
Dom. Textile, com.	$4.00	6.45	63	62¼	62¼	62½	265	66	62
Do. pref.	7	6.54	107	107	107	107	20	109½	106¼
Penmans, com.	8	4.90	164	162	164	162	747	164½	150
General Industrials—									
American Salesbook, com.	$4.00	9.08	45	44	44	45	20	47	44
Do. pref.	7	7.52	93	93	93	92¼	58	95	91
Asbestos, com.	....	....	29	29	29	29½	10	33¼	25¼
Do. pref.	6	10.17	59¼	59	59	60	141	62	57
Atlantic Sugar, com.	....	....	21	18	18	21	221	21¼	16
Do. pref.	....	....	50	48	50	51	104	51	39
B. C. Fishing	....	....	15¼	15⅛	15⅛	15	15	15¼	15
Burt, F. N., com.	10	7.51	133	133	133	135	43	137⅜	133
Canada Cement, com.	6	6.93	86½	86	86	86	250	88	84½
Do. pref.	7	6.73	105⅜	102¼	104	105½	180	105⅜	102¼
Can. Gen. Electric, com.	6	5.21	115	115	115	116	2	117	115
Do. pref. (New)	....	....	54	53⅜	54	..	982	54	53⅜
Can. Indust. Alcohol	6	....	28½	28¼	28¼	..	1431	28½	28¼
City Dairy, com.	10	5.55	184½	180	180	182	277	184⅜	163
Dom. pref.	7	6.66	105	104	104¼	105	58	105	104
Crows Nest Coal	6	12.00	50	48½	48½	51⅜	41	51⅜	48
Cuban Can. Sugar, com.	....	....	10½	9⅜	9⅜	10½	80	13	6
Do. pref.	....	....	49½	48	48	49½	80	50	33¼
Dom. Canners, com.	....	....	34½	31½	32¼	34½	30	35⅜	20¼
Do. pref.	7	8.13	86	86	86	86¼	26	90	82
Dominion Glass, com.	7	6.54	109	106½	107	108½	256	109	102½
Do. pref.	7	6.70	104½	104	104	105	40	107	104
Dominion Stores, com.	$1.00	....	30	29	29	30	107	20	26½
Do. pref. (a)	8	8.93	89½	89	89	89¼	45	89¼	81
Davies, Wm. (A)	....	....	15	15	15	20	30	30	15
Goodyear Tire, pref.	7	8.75	80	79	80	80	40	81¼	79
Lyall Construction	....	....	14½	14½	14½	14	5	16	13
Macdonald, A.	....	....	5	5	5	5	55	5	4½
National Breweries, com.	$4.00	7.40	54	51	53	54	1205	56¼	51
Do. pref.	7	7.18	97½	97½	97½	97	70	97½	95
Pacific Burt, pref.	7	6.60	106	106	106	106	5	106	102
Port Hope Sanitary, com.	....	....	49	49	49	..	10	49	49
Rogers, Wm. A., Com.	....	....	65	62	63	62	102	70	45
Do. pref.	7	7.36	97	95	95	95	49	97	86
Russell Motor, pref.	7	13.46	51¼	51⅛	51¼	50	25	51¼	48
Sterling Coal	4	9.30	43	42	43	42	85	43	41
Trust and Loan—									
Canada Landed	10+1	6.70	84	82	84	83½	29	86	82
Can. Permanent	12	6.52	184	184	184	185	196	185½	182
Colonial Invest	6	10.00	6	5¾	6	6½	25	7	5¾
Toronto General Trusts	12	5.82	206	206	206	206½	5	206½	202

UNLISTED SECURITIES

	Bid	Asked		Bid	Asked
Alta. Pac. Grain, com.	97	101	Lambton Golf Club	400	450
Alta. Pac. Grain, pref.	87	89	Loew's Buffalo, pref.	52½	55
Collingwood Ship., com.	50	60	Loew's Buffalo, com.	1	1½
Can. Machinery, pref.	22	27	Loew's Hamilton, pref.	44	..
Can. Mortgage & Inv.	66	..	Loew's London, pref.	6	6½
Can. Oil, com.	39	42	Loew's London, com.	2½	3¼
Can. Oil, 8%, pref.	91	95	Loew's Ottawa, pref.	18	21
Can. Westinghouse	133	136	Loew's Toronto, pref.	68	70
Capital Life, 20%, pref.	22	26	Loew's Toronto, com.	40	42
Cockshutt Plow, 7%, pref.	40	42½	Manitoba Power, com.	19	22
Continental Life	25	..	Marconi Wireless	.50	.75
Cosgroves Breweries	5½	6½	Massey-Harris	35	38
Commercial Finance, pref.	60	..	Manufacturers Life	56	59
Crown Life	96	..	Mtge. Disc. & Fin.	7	9
Dom. Power, pref.	96	98	Monarch Life, 10%, pref.	13	..
Dom. Power, com.	42	46	Neilson, Wm., pref.	96	..
Dom. Sewer Pipe, com.	24	28	National Brick, pref.	53	56
Dunlop Tire, 7%, pref.	79	83	National Brick, com.	12	15
Durant Motors (A)	7½	..	North Mex. Power, com.	7½	10
English Elec., com.	9	11	Ont. Equitable Life	18	22
English Elec., pref.	57	60	Robt. Simpson 6%, pref.	88½	91
Excelsior Life, 26%, pref.	32	..	Robertson, P. L.	15	25
Famous Players, 50%, com.	70½	73	Sterling Bank	87½	90
Farmers Dairy	60	..	Sun Life, 50%, pref.	173	..
Great West Life	225	..	Sun Life, 35%, pref.	123	..
Gunns, Ltd., 7%, pref.	37	39	Toronto Brick, com.	28	..
Hamilton Pantages, com.	2½	3¼	Toronto Brick, pref.	72	..
Hamilton Pantages, pref.	46	49	Toronto Carpet, com.	98½	101
Imperial Tobacco, com.	5½	6¼	Trusts and Guarantee	68½	70½
Int. Milling, pref.	95	..	Western Assurance	7	7¼
K. & S. Tire, pref.	20	23	Western Groceries, pref.	34	36
K. & S. Tire, com.	.75	1.00	Willard's Chocolates, pref.	..	78
Canada Starch, pref.	..	52	Famous Players, com.	7	8½
La Paz Oil	12	..	Brit. Mortgage Loan	199	..

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ENGLAND'S BEST POST-WAR YEAR

Volume Gained but Prices Declined From Previous Year; Exports 74.5% of 1913

From The Wall Street Journal, London Bureau.

LONDON.—Nineteen twenty-three was the best post-war year in British trade, in respect to volume, but poorer in respect to prices than either 1921 or 1922. Exports were 74.5 per cent. of 1913, and imports 93 per cent., but the prices obtained for exports were a marked fall on the year, from 199.1 per cent. of 1913 prices in 1922 to 189.7 per cent. This clear loss was not quite compensated by a fall in the cost in imports, which went from 152.2 per cent of 1913 prices in 1922 to 149.2 per cent.

Compared with 1922, nearly the same quantity of raw materials was retained for industrial purposes, or 99.3 per cent., but details of retained imports show that every branch of industry excepting textiles made substantial headway.

Imports exclusive of materials re-exported increased during the year as follows, figures showing gains in percentage:

Iron ore and scrap	72.1
Non-ferrous ores and scrap	28.2
Timber	23.5
Oil seeds and fats	20.0
Hides and skins	12.7
Wood pulp	24.2
Rubber	22.2
Other materials	16.1

These gains were offset by the serious reduction in imports for textile purposes, which on the year in percentage were as follows:

Cotton	11.7
Wool	49.2
Other textile material	9.1

Imports in grain, flour, meat, other foodstuffs and tobacco increased in quantity, grain and flour 5 per cent., meat 19.6 per cent. and other food and tobacco 18.9 per cent.

And as manufactures imported gained 20.4 per cent., the total nominal increase of all imports was worth £27,010,000. The real increase was even larger, or £41,454,000 in 1922 prices.

Exports of United Kingdom produce increased £48,822,000 in nominal value, but this would have been £85,701,000 at 1922 prices, so that the greater activity of industry during the last year was not proportionately recompensed.

The growth of Britain's purchases of foreign manufactures, which was so much discussed during the election is now shown in detail. The increase during the year in certain articles amounts in volume to the following, in percentage:

Iron and steel	38.3
Cutlery, hardware	18.7
Electrical goods	72.8
Machinery	14.6
Cotton manufactures	42.8
Woollen manufactures	37.1
Other textiles	43.1
Wearing apparel	33.0
Vehicles	39.6

On the whole, however, the va[illegible] of foreign manufacutres is still only 90.3 per cent. of 1913 at 1913 prices.

Atlantic Sugar Refineries
LIMITED

General Offices:
211 McGILL STREET
MONTREAL

Refineries - St. John, N.B.

Dominion Textile Company
LIMITED

Manufacturers of
COTTON FABRIC

MONTREAL TORONTO WINNIPEG

The Wabasso Cotton
Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton,
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Building Up Reserves of Toronto Casualty

The reserves of the Toronto Casualty Fire and Marine Insurance Company now total $172,000. This is an increase of over $100,000 from the figures at the beginning of 1923 and leaves a surplus to policyholders of $180,463 after providing for all liabilities. The company has a paid-up capital of $138,078, and derived a cash premium income during the year after deducting premiums paid for reinsurance was $401,077.

Claims, together with adjustment expenses, amounted to $156,594, or 39 per cent, of the premium income.

Insurance was carried on over 11,000 automobiles having an insured value of approximately $7,000,000. Net premiums written on automobile insurance amounted to $270,000; general casualty lines, $80,000; fire, $80,000.

Ross McMaster Not Going to British Empire Steel

MONTREAL.—Definite denial that he is to accept the presidency of the British Empire Steel Corporation, is given to THE FINANCIAL POST by Ross McMaster, of the Steel Company of Canada. A story to this effect went the rounds recently.

WOODS MFG. LOST OUT IN PURCHASE OF JUTE IN 1923

Sales Were Increased, But Profits Declined Seriously

INTEREST NOT EARNED

President Makes Explanation of Report Submitted to Shareholders — Working Capital Increased

From Our Own Correspondent.

MONTREAL. — Things did not break very well for Woods Manufacturing Company during 1923 and as was forecast in THE FINANCIAL POST'S industrial number, the company's profits were much lower than in the previous year although sales were higher by about fifteen per cent. The reason, as was then pointed out, was the declining market during the first six months of the year in jute, which wiped out practically all of the company's trading profits and left a margin of only $12,000 to cover interest requirements of four times that figure. As the company continued to pay preferred dividends throughout the year and common dividends until the last quarter, there was a total amount to be deducted from the previous year's profit and loss account of $342,000, reducing this to $67,000.

Despite the sale during the year of $1,000,000 of bonds, working capital was increased by only $200,000.

Comparing 3 Years' Income

Operating income during the year and deductions were as follows, the figures being compared with the record of the previous two years to illuminate their meaning the better:

	1923	1922	1921
Oper inc. . . .	$ 12,128	$400,551	$160,912
Deprec. . . .	84,765	66,632	67,843
Balance . . .	x$72,637	$333,919	$ 93,069
Bond int. . .	48,463	20,125	22,050
Balance . . .	x$121,100	$313,794	$ 71,019
Prem. & exch.	†9,732	......	......
Balance . . .	x$130,832	$313,794	$ 71,019
Pfd. divs. . .	108,255	108,255	108,255
Balance . . .	x$239,087	$205,539	x$37,236
Com. divs. . .	103,116	137,488	137,488
Balance . . .	x$342,203	$ 68,051	x$174,724
Prev. bal. . .	$409,176	341,124	515,849
P. & L. bal.	$ 66,973	$409,176	$341,124

x Debit.

† Balance of premium and exchange on repayment of old bond issue.

At the annual meeting the president and managing director, Lt.-Col. James W. Woods, explained to the shareholders that losses largely in jute amounted to about $300,000. He explained that there was a lapse of about five months from the time jute was purchased in Calcutta until it could be delivered in Canada and even careful buying in a falling market brought about inevitable losses, for sales of the finished product are at prices established on replacement costs of new material. He referred to the fact that jute was now at a low price and that the company had not very large stocks on hand and the industry was not in the position of the cotton textile companies who were operating with their raw material at the peak of prices.

Sales Increased in Year

Gross business during the year amounted to about $7,000,000, which was an advance of about 15 per cent. on the previous year's business.

During the past year Woods Manufacturing Company made an issue of $1,000,000 of bonds. These bonds retired a small balance of bonds that had been outstanding and reimbursed the company's treasury for expenditures that had been made on plant and equipment. Col. Woods told the shareholders that the company had spent $825,000 on plant since 1914, all out of earnings.

The new capital put into the business enabled a goodly reduction in the bank loan to be effected, bringing this from $818,000 to $457,000. Working capital increased by about $200,000. The amount of the reduction in the bank loan and the increase in the working capital are both smaller than might have been expected from the amount of new capital raised during the year but the company's utilization of nearly $350,000 for depreciation, bond interest and dividends, wiped out a portion of the new capital. Working capital position compares as follows:

	1923	1922	1921
Cur. ast.	$2,328,031	$2,593,139	$2,128,812
Cur. liab.	1,159,421	1,642,832	917,214
Wrk. cap.	$1,168,610	$ 968,307	$1,211,598

Eastern Canada Loan Had Record Earnings

Net earnings of the Eastern Canada Savings and Loan Company for 1923 of $75,523 showed a nice increase. Taxes, however, were higher. Following is a summary of the profit and loss account:

	1923	1922	1921
Earnings . . .	$ 75,723	$ 75,124	$ 72,783
Written off .	1,463	1,150	1,024
Taxes	10,260	9,974	5,903
	$ 11,723	$ 11,124	$ 6,927
	$ 64,000	$ 64,000	$ 65,856
Dividends . .	60,000	60,000	56,856
Reserve . . .	4,000	4,000	9,000
	$ 64,000	$ 64,000	$ 65,856

The total revenue for the year of $174,897 was the highest in the company's history. The directors expressed the opinion in the report signed by W. A. Black, vice-president, "that the shareholders will be satisfied with the result of the year's operations when the large increase in taxes and overhead expenses, to which all corporations are now subject, are taken into consideration."

The company has made 333 loans during the year amounting to $552,000, an average of $1,657 each. This makes a grand total of $2,353,000 loaned on first mortgages on real estate, all on our instalment plan. Repayments have been well met; the arrears amount to $15,721, of which $11,300 is principal and $4,421 interest.

Export Sugar Trade Drops to Low Mark

MONTREAL.—The sugar refineries have started their year witht excellent sales of sugar within Canada, but with export business practically nil. The various refineries in the first four weeks of the year shipped 39,000,000 pounds of sugar for domestic consumption, an increase of more than 4,000,000 pounds from the same period in 1923. Export shipments of sugar totatlled 200,000 pounds, as against approximately 1,000,000 pounds in the first four weeks of 1923.

Earl of Warwick's Assets Transferred to Company

From Our Own Correspondent.

MONTREAL.—The recent death of the Earl of Warwick calls to mind the fact that he and Lady Warwick some time ago transferred all their assets to a limited liability company, thus establishing a precedent for wealthy individuals who find themselves with large assets that are not sufficiently liquid to provide the ready cash needed for ordinary expenses. Debenture stock was issued against interests in collieries and life insurance; and preferred and ordinary shares were also issued. Preferred dividends have been paid regularly but recently common ordinary dividends have been irregular. Provision is made for the redemption of the debentures on the death of Lady Warwick, the survivor.

The Earl of Warwick is succeeded by Major Lord Brooke, a great friend of the late Major General Sir Sam Hughes. Canadian visitors to Warwick Castle have noticed that one of its treasured possessions is a Ross rifle, presented by Hughes to Brooke.

Pulp and Paper Securities

BELATED REPORT SHOWS SAGUENAY WENT FAR BEHIND

Extent of Becker Losses is Large, But Yet Indefinite

From Our Own Correspondent.

MONTREAL.—Just how involved and serious is the state of financial affairs of the Saguenay Pulp and Power Company is revealed in statements that are now being sent to shareholders preliminary to a meeting called for February 25 to discuss the company's affairs. The financial statement, which covers the profit and loss account for the year 1922, indicates a decidedly weak financial position, a position which has been further complicated by the failure of Sir Frederick Becker's various paper companies in the Old Country. The company is now working hard to get out of the woods; shareholders and bondholders will be asked to make concessions to this end. The outcome may be complete reorganization. There have been conferences with Price Brothers to the end of having the latter company take over the Saguenay enterprises, but nothing has yet come of these. Sir William Price is now in England, and his visit is believed to have something to do with possible financing for the various pulp and paper companies, and power companies, in the Chicoutimi district and it is conceivable that English capital will be asked to interest itself in the reorganization of this Saguenay company.

Little Capital is Required

Senator F. L. Beique, president of the Saguenay Pulp and Power Company, is of the opinion that the company needs only a moderate amount of capital to put it on a successful operating basis. In his report to the shareholders he says:

"The tentative balance sheet up to October 31, 1923, shows a large reduction in the liabilities of the company. Your board is satisfied that the earning power of the company is excellent. The main difficulty is the insufficiency of working capital and the heavy sinking fund on the bonded indebtedness. If the consent of the bond holders could be obtained to reduce the sinking fund, it would materially improve the position of the company and enable it to rapidly reconstitute its working capital. Another alternative would be the raising of additional capital."

The financial statement going to the shareholders in a few days shows profits of $296,000 for 1922, which was not sufficient to care for bond interest, depreciation and other reserves. To meet these charges it was necessary to dip into surplus account to the extent of $420,000. As there had been a profit and loss deficit of $35,000 at the end of 1921 it at first glance seems strange that $420,000 further can be deducted from profit and loss, and still leave a surplus (according to the balance sheet as at December 31, 1923) of some $140,000. The reason was that the surplus account was credited with $1,380,000, which has previously been written off pulpwood inventories, etc., and it is planned to wipe this sum off over a term of ten years, which is the lifetime of the company's contracts. This is, of course, juggling with figures, and does not alter the fact that the company went behind greatly in 1922.

Comparing the Earnings

Comparative profit and loss for 1921 and 1922 was as follows:

	1922	1921
Gross revenue . . .	$6,646,750	$5,882,138
Selling expenses . .	183,103	528,794
Oper. expenses . . .	4,614,038	2,643,915
Gen. expenses . . .	376,713	283,267
Net revenue	$1,472,896	$2,426,182
Other income . . .	4,495	6,911
Total income . . .	$1,477,391	$2,433,073
Bond interest . . .	$ 809,113	$ 773,734
Other interest . . .	371,973	441,625
Bad debts	3,265	......
Taxes written off pulp	2,828	528,652
Profits	$ 290,210	$ 64,981
Depreciation, etc. .	710,092	......
P. & L. deficit . .	$ 419,881	x$ 64,981

x Surplus but $1,260,827 of depreciation was charged to profit and loss.

With the 1922 annual report, the company is sending out a statement of its financial position as at October 31, 1923. This indicates considerable improvement, effected largely through the sale of the St. Lawrence Pulp and Lumber Corporation to the Bay Sulphite Company, and through the sale of various store, lighting and dock enterprises in the Chicoutimi district. The bank loan, which stood at $2,135,000 at the end of 1922, was reduced to $789,000

Nevertheless, the tentative balance sheet, as at October 31 last, seems to show the need for thorough reorganization of the enterprise. It shows an apparent surplus of $282,000, but this has been achieved by putting in as assets items that are decidedly intangible: $1,242,000 deferred depreciation; $155,000 of deferred bond discount, and a deficit of $97,000. Included also in assets is $1,321,000 o suspense accounts from Becker and Company, and $615,000 of accounts receivable. These items must be viewed with consideration for the auditor's reference to claims in dispute between the company and Becker and Company amounting to $1,400,000, and similar claims of $280,000 in connection with the Bay Sulphite Company. The extent of the possible recovery in these claims is highly problematical and most certainly, in the case of Becker and Company, extensive losses will have to be taken into account.

The report of the president, Senator Beique, bristles with attacks on Sir Frederick Becker. Says the president: "The company has suffered from the low price of pulp during the first six months of the year 1922, and still more from its connection with Sir Frederick Becker and his firms."

Aeroplane Surveyed Great Pulpwood Area

Last winter "The Chicago Tribune" purchased from the Canadian government two thousand square miles of pulp wood forest on the Manichouagan River in Quebec. To exploit this tract "The Tribune" acquired water power rights on the Outarde River.

The Outarde River, leaping a score of falls, pours into the Gulf of St. Lawrence through several channels. In its turbulent drop of 200 feet in a few miles it is too swift for boats. Dense forests and impenetrable underbrush clothe its steep banks to the water's edge.

Baffled by these handicaps the surveyors struggled for months to work out a plan for harnessing this network of torrents.

Seeking light on the subject the engineers had recourse to the airplane. From hazardous airplane inspection carried on over waterfall and forest and from the photograhpic records of the trip it was possible to solve problems which had defied the surveyors. Dams can be so placed as to concentrate the water on one narrow gorge. Furthermore, the heavy power plant machinery can be floated right to the spot where it will be used.

It is expected that the initial development will produce 100,000 horse power for the use of a sawmill, a mill for grinding logs to pulp, and for heating the projected town.

ABITIBI PULP AND PAPER

The paper mills of the Abitibi Power & Paper Co. at Iroquois Falls, established a succession of production records in the last thirty days, according to the house organ of the company.

On January 15 a daily record of 506.69 tons was made. Two days later, on January 17, the record was 508.08. On February 7 the official record was 512.82 tons for the day's run.

But that is not all. On February 1, No. 1 machine made 86.07 tons, against its previous record of 83.35. On February 7, No. 7 machine turned out 93.74 tons, as against the best previous record of 92.32.

The record for the week ending February 10 was six tons in advance of the best up to that date, with 492.11 tons, the best previous being 486.03 on October 14. The statement is made that in the near future No. 7 machine will turn out 100 tons a day.

NASHWAAK PULP

The Nashwaak Pulp and Paper Company, St. John, N.B., of which Howard E. Beedy is vice-president, have completed changes and additions to their plant and during the present month they expect to have the second drying machine in operation which will materially increase the output. The mill is running at full capacity at the present time and no difficulty is being experienced in disposing of the production of bleached sulphite. The company are also conducting extensive pulpwood and timber operations in the bush.

SPANISH RIVER

Spanish River Pulp and Paper Mills, toward the end of last year, added to its raw material reserves through the acquisition from the Ontario government of 3,000 square miles of handpicked limits. This brings the holdings of limits by this company to in excess of 20,000 square mles, a fact which relegates still further to the future the day when shareholders will need to be concerned over the raw material problem.

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BELL'S EARNINGS KEPT PACE WITH LARGER CAPITAL

Total Assets Now Close to $90,000,000, Increase of $12,000,000

EARNED 9½ PER CENT.

About $8,000,000 of New Capital Will be Raised This Year From Shareholders

From Our Own Correspondent.

MONTREAL.—Bell Telephone's report for 1923 revealed a continuance of sound growth on the part of that company for, despite the addition during the year of nearly $8,000,000 to the amount of stock outstanding, the rate of earnings on the outstanding shares was higher than in the previous year. There was earned on the stock about 9.5 per cent. as compared with 9.15 per cent. This indicated a substantial margin above the dividend requirements of 8 per cent., and showed the peculiarly advantageous position this company is in, for every dollar raised through the issuance of new stock goes to work at once earning its keep.

The report, as was expected, sets up a number of new high records. Telephone revenues at $22,225,700 were the highest in the company's history and were $1,980,000 higher than in the previous year. After deduction of expenses, total net earnings were $4,887,000, a new high point and $908,000 above the previous year's figure.

Comparing Income and Outgo

The comparative profit and loss account for three years back has been as follows:

	1923	1922	1921
Tel. rev.	$22,225,714	$20,245,822	$18,561,829
Expenses	18,044,456	16,484,982	16,519,935
Net Tel earn	$ 4,181,258	$ 3,760,840	$ 2,041,893
Sundry earn.	695,876	208,472	234,527
Total net. earn.	$ 4,877,135	$ 3,969,312	$ 2,276,420
Interest	1,067,176	1,035,644	1,168,800
Net inc.	$ 3,809,959	$ 2,933,668	$ 1,107,620
Dividends	3,135,921	2,457,700	1,883,630
Balance	$ 674,038	$ 427,928	$ 776,009*
Benefit fund.	200,000		
Surplus	$ 474,038	$ 475,928	$ 776,009*
% earned	9.5%	9.15%	4.13%

Investments in New Plant

The extent to which new facilities for the earning of revenue were put to use can be judged from the fact that there was a net increase in the number of installed stations of 52,018, the highest net increase in the corporation's history. The year's increase was just about equivalent to the total number of telephones on the company's system twenty years ago. Evidently more efficient use is being made of telephone lines for, while the number of local calls in 1923 increased by 6.3 per cent., the long distance calls increased by 11.4 per cent.

In addition to the installation of new telephones, many other additions were made to plant and equipment during the year. The gross additions during the year amounted to $12,700.000 and included investment of $460,000 in land buildings, $4,670,000 in central office apparatus and subscribers' telephones and $4,630.000,000 in exchange and toll lines. The expenditures during the year and increases in various other investments brought the total assets of the Bell to $88,367,000 as against $76,547,000 in the previous year, or an increase of $11,820,000.

New Stock Issued in Year

To finance these new developments required the issuance of a large amount of new stock, the addition to the capitalization being $7,880,400 through the sale of $78,804 shares, all of which brought in well over par value. Of the stock so issued, 61,553 shares were taken up by the shareholders; 4,751 shares were bought by employees under the staff stock subscription plan authorized in May, 1922. and 12,500 shares were sold in one block to a large British insurance company. There was no increase in bonded indebtedness during the past year.

The Bell intends to proceed with its policy of broad-scale developments to meet the growing demands upon the system during the coming year and, while the company shows a strong cash position and is evidently liquid enough to carry on rather extensive developments in the near future, new capital will be raised in a large amount by permitting shareholders to subscribe at par for one new share for each five shares now held. The stock will be paid for in instalments and between April 1 and Jan. 1 should provide the company with four blocks of new capital to a total of about $8,000,000.

That automatic equipment will be introduced for the first time this year is indicated in the report which points out that "Grover" exchange in Toronto will soon be operating on automatic equipment, to be followed by "Elgin" shortly afterwards.

Bought Austrian Bonds Now Worth Two Dollars

Another case showing the folly of investigating bond and stock offerings made by strangers after purchasing them comes from Sudbury. Some months ago a concern opened an office to sell city of Vienna bonds. Bonds worth 100,000 Austrian crowns par were offered at $860, and it is stated that about $10,000 was subscribed in Sudbury and about as much in nearby districts. Purchasers now declare that they have found that Austrian crowns are quoted in New York at fourteen to sixteen dollars per million and their bonds, for which they paid nearly a thousand dollars, are really worth less than two dollars. Both partners in the company have left the city. The argument was used in selling that the international loan to Austria would bring the currency of that country back to par in exchange.

Remarkable Results For Woolworth Company

NEW YORK.—F. W. Woolworth Co. added another year to its series of remarkable merchandising results by its 1923 operations. The leading 5 and 10-cent store chain reported record class and profits, retired all the $10,000,000 preferred and cut "good will" to $20,000,000 by a $10,000,000 appropriation out of surplus.

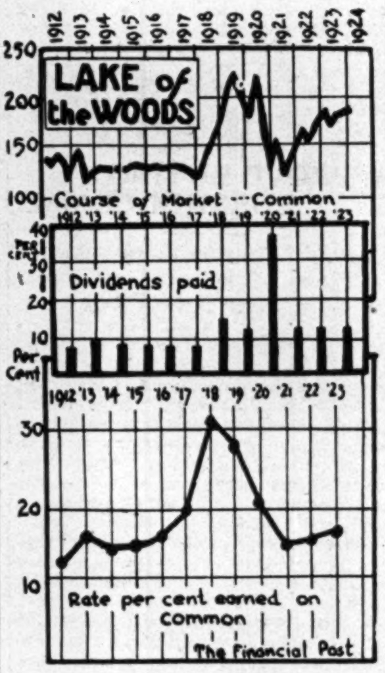
These results give additional proof of the splendid profits accruing to a well-managed retail organization handling a large volume on cash basis. Woolworth handled its $193,447,010 of sales in 1923 at 10.70 cents profit on the dollar, after interest and tax reserves, and starting 1924, owed $719,463, represented largely by merchandise in transit.

Profits of 10.70 cents on the dollar compare with 12-year average of 9.5 cents.

Lake of the Woods Enlarging Elevator Capacity on Prairies

Spending $250,000 This Year on Improvements—Stock Yields 6¾ Per Cent. and is a Well Seasoned Investment With Attractive Possibilities for the Future

From Our Own Correspondent.



MONTREAL.—Lake of the Woods Milling Company is spending about a quarter of a million dollars this year in improvements and extensions to its various plants throughout Western Canada. No new financing is contemplated to care for these improvements. At Medicine Hat, a new elevator is being built to add to the capacity of the elevators now existing in connection with the Medicine Hat flour mill of the company. At Keewatin, also, additional elevator capacity is being provided. There will be as well a number of new country elevators built at various points throughout the prairie provinces.

These new additions emphasize the steady growth of this famous Canadian milling company, which is now in a strongly fortified financial position, and whose shares offer tried and tested investments. From a small flour mill, established by C. P. R. interests in 1887 to provide traffic for the railway's lines, it has developed into an enterprise that includes several flour mills of a daily capacity of 12,000 barrels of flour, a subsidiary company that manufactures all of the company's bags, and about 125 country elevators dotting the prairies and collecting the golden raw materials of the milling units.

First Mill of 1,000 Barrels

Lake of the Woods was originally established by Sir William van Horne, Sir George Stephen (later Lord Mountstephen) and other C .P. R. leaders. The first mill was built at Keewatin, Ontario, in 1887, and it had a daily output of about 1,000 barrels of flour. This was considered a large mill at that time. The mill was built at this strategic location in Northwestern Ontario in order to give the C. P. R. grain traffic west of the mill and flour traffic east of the mill. Since the original mill was built another mill has been erected at Keewatin, a mill has been built at Portage La Prairie, and the Medicine Hat Milling Company has been acquired. These mills bring the capacity up to 12,000 barrels a day.

Makes Its Own Bags

In the Sunset Manufacturing Company, of Winnipeg, Lake of the Woods has a various interesting subsidiary enterprise. This company manufactures all the bags used by the Lake of the Woods mills. It was purchased before the war and has proven a very profitable purchase. While its revenue and expense accounts have never been published, it is understood that Lake of the Woods has been well satisfied with the results.

Earnings of the Sunset Manufacturing, as well as the corporation's earnings from the sale of grains not used in its milling, are shown separately in the profit and loss account of the corporations. It is apparent that the company has built up a large source of revenue outside of strictly milling operations. This may be seen by comparison of milling and other earnings for a few years past, as shown here:

	Milling Profits	Other Profits
1920	$410,521	$321,711
1921	458,232	303,842
1922	421,813	291,275
1923 .. not shown separately.		

Large Export Business

A very large proportion of the flour milled by Lake of the Woods is sold in foreign markets. The company has not its own salaried sales' officials abroad, but has export representatives covering the world's markets. Canadian milling has become a highly organized export industry. and, during the present year the mills are likely to earn a higher percentage of profit on their export flour than during the fiscal year ended August 31 last. (All of the five big flour milling companies close their books on August 31.) Last year a great deal of business was taken at cost, or even less than cost, in order to get Canadian flour established in foreign markets. but, during the present year, competition has not been such as to make this necessary. and a fair margin of profit is being earned by the mills.

The heads of Canadian mills, including the officers of Lake of the Woods, are very optimistic as to the future of this export business. They point out that Canadian flour does not have to compete in the markets of the world on a strictly price basis. Canadian wheat makes the world's best flour, and the flour of the Canadian mills is certain of ready sale wherever offered. All Canadian flour millers have to do to hold and extend their export business is to maintain the quality of their product, it is pointed out.

Yields Over 6¾ Per Cent.

Lake of the Woods Milling Company pays 12 per cent. on its common stock. There are no bonds ahead of the stock, for the outstanding issue of $900,000 was paid off last year. There is an issue of $1.500.000 of preferred stock ahead of the $3,500.000 of common stock. The 12 per cent. dividend is well insured by earnings of recent years, and at current prices makes the yield to the investor about 6¾ per cet. Over a term of years, however, the return to the investor should be substantially greater than this. The dividend rate has from time to time been increased as circumstances warrant. As the earning capacity of the Lake of the Woods mills increases, due to the judicious expenditure of a portion of earnings in maintaining plant and equipment at the highest point of efficiency, the dividend rate is likely to be further increased. Substantial bonuses and rights have been given to the shareholders in the past.

In December, 1919, the privilege was given of purchasing one share of stock at par for each three shares then held, and, in April, 1920, the further privilege of subscribing for one share of stock at par for each four shares then held was granted. In 1920, a special bonus of $25 a share was given which could be applied to the purchase of the stock granted under the rights.

Lake of the Woods preferred offers a sound and conservative preferred stock investment. The common offers excellent speculative possibilities in addition to seasoned qualities, and while the market price seems to have discounted some of the attractions of the future, the return is still satisfactory and the opporunities excellent. Management of the company is in excelent hands, and the president, Brig.-Gen. F. S. Meighen, is a nephew of the founder, Lord Mountstephen.

WHAT "POWER" SPENDS ON NEW EQUIPMENT

Some of the Developments of Twelve Months Told in Detail

From Our Own Correspondent.

MONTREAL. — Ever-expanding, the Montreal Light, Heat and Power Consolidated is an interesting example of a company that increases its plant and thus its earning power through a continuous process of "ploughing back a large part of earnings. For instance, here are some of the developments that have been completed or initiated by "Power" during the past twelve month period, and all without the issue of any new stock or bonds:

At the Cedar Rapids plant, two additional power generating units of 12,000 h.p. each were installed, one of which was put into commission in November, and the other in December, and work was commenced on two other units of similar size.

The channel of the St. Lawrence river was further deepened by the removal of 200,000 yards of cubic feet of gravel.

Capacity of the transformer house increased by 30,000 K.V.A. by the installation of three transformers that are among the largest of their kind in the country.

A new distributing station was built in the northern part of the city. Another station was completely reconstructed.

A new 66,000 volt transmission line was built, about six miles long.

The number of transformers was increased by 400, and the number of new connections by 8,000. New wire was strung. Many further improvements and extensions were carried out.

In the gas department, a complete installation of an immense eight million cu. ft. water gas pipe was started, and work commenced on a six million cu. ft. holder.

Thousands of new contracts for electrical and gas service were obtained, and distribution greatly increased. There was a net increase of 4,300 gas users and 9,600 electrical users.

Shawinigan's Broad Interests Outlined by Pres. J. E. Aldred

Company Develops 497,500 H.P. and Serves 125 Communities Story of St. Maurice Power Company's Formation Told For First Time

From Our Own Correspondent.

MONTREAL.—So broad has become the scope of activities of the Shawinigan Water and Power Company that many of the shareholders do not appreciate the extent of the business they own. To give them an idea of the present position of their enterprise, the president, J. E. Aldred, takes the opportunity afforded by the annual report of the company for the year 1923 to give an outline of the present position of the company and its relation to the various subsidiary enterprises. This is the more valuable in view of the fact that Shawinigan has during the past fifteen months or so become the corporation in control of two important enterprises, the St. Maurice Power Company and the Quebec Power Company which, in turn, owns the Quebec Railway.

Mr. Aldred lists eight companies that are owned outright by Shawinigan and three that are only controlled. Of the eight companies owned outright, two are manufacturing companies formed to use power from the company's power plants. These are the Canada Carbide Company and the Canadian Electro Products Company at Shawinigan Falls, which are closely inter-related in that one uses the product of the other as raw material.

Serves 125 Communities

A third owned company is the Shawinigan Engineering Company, which does the engineering and construction work for the corporation. There are also five subsidiary electric light and power companies looking after the retail distribution of light and power in 125 cities and towns.

Of the companies controlled, one of the most interesting, Quebec Power Company, is the result of the fusion of interests of Shawinigan's electric power distributing interests in Quebec City with the Quebec Railway, Light, Heat and Power Company. Of the merger, Mr. Aldred has this to say:

> "Already the conditions in these Quebec Companies show marked improvement as the result of the new management. By combining the organization of the two companies, economies have been effected. Further improvements to the Quebec system are being made, and favorable results are anticipated."

That St. Maurice Deal

Some very interesting information is given regarding the St. Maurice Power Company. There has been much talk "on the street" of the formation of the St. Maurice Power Company and the question has been asked as to why the Shawinigan Company, owning the Gres Falls site, did not itself develop the property instead of handing it over to a subsidiary company of which it owns only a con- question seems to be provided by questions seems to be provided by Mr. Aldred's review of the situation. He points out that Shawinigan owned the Gres Falls site and that the original intention of the company was to develop this alone. In the meantime, however, another company had acquired two rapids immediately below Gres Falls and after some negotiation it was agreed to consolidate the interests of the two companies and to make one power development. Out of this arrangement arose the St. Maurice Power Company.

Soon Turn On Power

Mr. Aldred reports that the work at La Gabelle is ahead of schedule and it is expected that the first unit can be started early in April, 1924.

The third company that is controlled but not owned outright is the Three Rivers Traction Company, operating a street railway in the city of Three Rivers. This company is a good customer for power and makes a profit over and above its expenses, fixed charges and depreciation.

That there is much room for expansion of the company's enterprises is indicated by the president's statement that while the total power resources of the company, including La Gabelle, are 497,500 h.p., a possible future development of 150,000 h.p. in these powers can be made and in addition there are smaller water powers belonging to subsidiary companies.

Plan New Company For Steel Enterprises

Canadian and U. S. representatives of the L. R. Steel Protective Trust are to make final plans for taking over the Steel enterprises when they meet at the end of the month. They assert that they have on hand almost sufficient funds to pay off the creditors. Ten per cent. has already been paid and another ten will be paid soon. They are continuing their drive seeking a surplus of funds to provide working capital. The proposal is, that when the stores are taken over a new company, Steel's Consolidated Ltd., will be formed.

WINNIPEG STEEL PLANTS GROWING IN A QUIET WAY

Little Public Interest, But Policy May Change

From Our Own Correspondent.

WINNIPEG.—The Manitoba Bridge and Iron Works, the Manitoba Steel and Iron Company, and the Manitoba Rolling Mills Company, held their annual meetings here. T. R. Deacon, former mayor of the city, has been responsible for the formation of this group of companies, and is still the very active head. The rolling mills, which are located twenty miles northwest of the city, near the town of Selkirk, were taken over by the Manitoba Bridge in 1918 from United States people, and have been considerably enlarged and improved since. There is an investment there of about a million dollars. The entire capital stock of the Steel and Iron Company and of the Rolling mills Company are owned by the Manitoba Bridge.

These three companies in the twenty years of their history have not published any statement nor made any announcement of dividends. No bonds have ever been offered for sale, and no preferred stock has ever been sold by the existing companies. There was a small bond issue outstanding against the rolling mills when they were taken over by the present owners. These bonds are chiefly held by a bank in Erie, Pennsylvania. With the development of Western Canada, an increase in the facilities of these companies will be possible. At the present time, President Deacon states that the company can do a competitive business as far east as the head of the lakes, and as far west as Nelson. B. C. Farther west, in British Columbia, he encounters Belgian steel and that from mills in other parts of Europe and from eastern Canada. At the present time the rolling mill is operating steadily, preparing for the business of the coming season. The open-hearth is turning out about 60 tons of new steel every twenty-four hours.

There are not much more than 100 shareholders, and the bulk of the stock is held by about twenty men. A number of the prominent people of the city are interested, including G. W. Allan, K. C., William Robinson, of the Lake Winnipeg fisheries; W. H. Cross, Sir Augustus Nanton, and a number of others. President Deacon states that the business is to be expanded, and that in the course of a short time the stock may be listed.

"A Cootie on the Body Politic"

describes one of the worst penalties of modern democracy —the *"Pork Barrel."* The vivid phrase was coined by Roosevelt, and is quoted and amplified by *Grattan O'Leary,* who charges that the *"Pork Barrel"* has been dispensed with equal rapacity by all Canadian parties and governments since Confederation, in an excoriating article in the

February 15th MacLean's

continuing the series

"Ottawa's Orgy of Extravagance"

What is the "Pork Barrel"? How does it operate? It is a system, or practice, by which parties in office use public moneys to bribe or debauch constituencies, to the end that they may continue in power. It is a system by which governments dispense rich favors, under the guise of legality and the pretense of necessity, to constituencies and groups that are friendly. This system functions at its maximum **preceding, during, and after** by-elections. Read how O'Leary pillories those who are responsible for the

Victoria by-election of 1920; **North Essex by-election of 1923**
Halifax by-election of 1923; **Kent by-election of 1923**

and other attempts—usually successful—to debauch the electorate of the Dominion.

Taxpayers of Canada

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MINING STOCKS
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Timely talks on mining

For those wishing to secure the latest and most reliable mining news of Northern Ontario, combined with a review of the market position of the stocks in the public eye, we suggest signing the coupon below and mailing it to-day.

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A Special Article On
South Lorrain
SILVER AREA with a map of the properties appears in the new issue of
Gibson's Fortnightly Mining Review
which is now ready for distribution.

This Bulletin is issued for the benefit of our friends and clients, and contains first-hand news from the mining camps throughout the North.

This issue is of particular interest in view of recent developments in the Lorrain district, and we shall be glad to send you a free copy upon request.

Homer L. Gibson
AND COMPANY
Bank of Hamilton Bldg.
TORONTO

BLUE DIAMOND MUST ENLARGE

Blue Diamond Coal Mines, owned by McIntyre and Temiskaming Mines, is reported to have made a new contract with the C.N.R. for delivery of from 3,000 to 4,000 tons of coal daily. This will mean a 50 per cent. increase in the company's plant.

MINING NEWS FOR THE INVESTOR

HOLLY'S EARNINGS MUCH LOWER THAN IN YEAR PREVIOUS

Drew on Surplus to Pay Dividends After Providing For Depreciation

Hollinger gold mines produced $10,446,412 in 1923 as compared with $12,274,114. The decrease was due to the power shortage early in the year. Doubtless a measure of this loss could have been made up in the final part of the year, but the management was more concerned with getting the big plant ready for its big jump to 7,500 tons. An evidence of this is the fact that ore reserves during the year increased over $10,000,000, as shown by the following statement:

	Tons	Value	Average Grade
1922 ..	4,608,223	$43,269,996	$9.39
1923 ..	6,337,742	53,861,836	8.97

The report for the year shows operating charges to be materially higher, being nearly $300,000 over 1922. This is due to the development work to prepare for the mill expansion program. As a result of the decreased earnings and higher costs, the net operating profit fell materially, and after deducting a provision for taxation and ample depreciation, the balance remaining from the year's work fell $254,964 short of meeting the dividends of one per cent. every four weeks, or $3,198,000. This pulled the surplus down. This means that the year ended $2,203,564 behind 1922.

President Noah Timmins, in his address, pointed out that capital expenditures totaled $2,066,518. These included the balance on the Schumacher, $888,750, but all charged up to 1922; plant addition, $793,600; power plant, $306,155; tailings disposal site, $84,168. He said that most of the electrical equipment, as well as transmission lines and towers, were ordered. Two 12,500 h.p. units are contemplated. Total power expenditure to date is about $500,000. This has been cared for out of cash balances. To take care of future expenditure on this work a loan of $3,500,000 has been arranged for when required at 6 per cent. This will be covered by hypothecating custom securities. This will take care of the cost. Pres. Timmins said this plan was adopted rather than sell its own securities because of the high-class character of the investments, and the difficulty of re-investing to as great advantage in the future.

In the matter of dividends, he said: "Shareholders are no doubt expecting a statement from the directors in regard to the future dividend policy of the company, which matter involves a consideration of the profits earned, and likely to be earned by the company under conditions as they are to-day, and as they will be upon the completion of the company's power development above referred to. Your attention has already been called to the fact that as a result of the year's operations, it was necessary to encroach upon our surplus to the extent of $245,964.35 contrasted with an addition to the surplus of $1,948,690.27 during the year 1922. This unfavorable showing is entirely due to the failure of the power supply during the early part of the year, and while it is true that the profits earned in spite of the power shortage were considerably in excess of the present dividend requirements, the directors are still of the opinion that any increase in the dividend rate should remain in abeyance until the power situation has been stabilized so that any addition to the dividend once made may be considered as reasonably permanent. Before leaving the question of dividends, it may be well to call the attention of shareholders to the fact that during the comparatively short period of its existence the company has disbursed in dividends a larger proportion of its profits than any of the other large gold mining companies at present operating in any part of the world."

The profit and loss figures for the past three years follows:—

	1923	1922	1921
	$	$	$
Product.	10,446,412	12,274,114	10,031,050
Other rev.	567,790	550,493	283,464
Tot. inc.	11,014,202	12,824,608	10,314,515
Op. chgs.	6,639,715	6,346,004	5,222,855
Op. profit	4,374,486	6,478,604	5,091,659
Taxes ..	451,621	518,223	420,889
Balance	3,922,865	5,960,381	4,670,770
Dep., etc.	979,829	813,680	634,842
Net prof.	2,943,036	5,146,690	4,026,927
Dividends	3,198,000	3,198,000	3,198,000
Surplus	x254,964	1,948,600	828,927

x Deficit.

The balance sheets of the past three years compare as follows:

Assets

	1923	1922	1921
	$	$	$
Cap. ass.	22,493,785	22,403,785	21,150,244
Plant....	1,523,938	1,637,378	1,355,302
Invest. ..	43,563	47,085	44,922
Pow. dev.	262,418	......	......
Disp. site	71,142	......	......
Acct. rec.	67,540	31,819	45,743
Accr. int.	37,627	46,356	42,261
Prep. chs.	12,878	6,180	3,189
Guar.dep.	300	300	300
Invent....	759,852	636,887	530,089
Bnds, etc.	4,533,408	5,021,482	4,441,342
Cash	353,172	929,757	285,972
Call loans	......	703,479	693,900
Bull., etc.	824,462	559,717	553,265
Totals...	30,984,490	32,114,228	29,146,529

Liabilities

	1923	1922	1921
	$	$	$
Cap. stck.	24,600,000	24,600,000	24,600,000
Wages...	164,594	137,125	135,575
Accs. pay.	326,390	278,883	245,173
Schumacer	......	888,750	......
Tax res..	230,000	300,000	205,000
Surplus..	5,663,505	5,909,469	3,960,779
Totals...	30,984,490	32,114,228	29,146,529

MR. BUTLER QUITS HATTIE BOARD

It is announced that W. W. Butler, Canadian Car, Montreal, has resigned from Hattie presidency and board.

Mine Share Weakness Not Due to Bad News

The mining market has shared the weakness of the other exchanges during the past week. There were some notable breaks when the position and outlook of some of the stocks that suffered, is considered. Of course, the marginal accounts feature strongly in any decline of any size and it is believed that this was a factor in considerable of the selling.

Goldale has broken badly. There are rumors casting a doubt on the success that has been achieved on the 1,000-ft. level and this is said to have caused the selling. However, to many this rush to abandon the ship is considered premature in the absence of any official announcement. It was rather a surprise to see Keeley so weak, following immediately on the declaration of the regular dividend and a four per cent. bonus. Vipond also took a sudden drop of 15 points and later regained five.

The list, with but few exceptions, was weak all through, but with the exception of possibly the Goldale rumors, there has been no unfavorable news from the mines.

A CANADIAN MINE

Hollinger shareholders now total over 5,000 and of the total capital stock, $24,600,000, over 92 per cent. is held in Canada.

HIGH VALUES BEING SECURED IN T. O. B.

Will Add New Machines and Carry Shaft to 1275-ft. Level

Developments have been so favorable of late on the Tough-Oakes-Burnside that it has been decided to add three new machines to the development force and proceed immediately with sinking to 1,275 instead of 1,000-ft. Operations are now on the 900-ft. level. High values are being encountered on the 9th level, work to-day being in keeping with the general history of the camp, that values improve at depth. In a statement to the shareholders, Pres. J. H. Phippen states:

The high grade shoot opened on the 800-ft. level and encountered on the 9th has for over two-thirds of the entire length of the 800-foot level from the diabase sheet to the Sylvanite boundary, an average assay of approximately $25 over 5 feet wide, and on the 900-level averages are $46 over the same width.

East of the diabase sheet diamond drill cores disclosed two ore bodies north of the vertical fracture and two to the south.

The first of the Northern veins, partially developed assays $68.31 over 54 inches. The first of the southern also partially opened up assays $25.12 across 54 inches. No. 11 vein, opened on the 400-foot level gives $47 over 48 inches in width.

Iron Ore Bounty Bill Introduced in House

Hon. Chas. McCrea has introduced his iron ore bounty bill in the Ontario legislature. It is a much broader measure than was expected by many.

It provides a bounty of 50 cents a ton on iron ore. Provision is made that the bounty will be paid on sintered ore produced in Ontario and marketed anywhere. For high-grade ore the bounty will be paid only if marketed in Canada. The Federal House is asked to co-operate with a like bounty. This means a bounty of $1 per ton.

The full text of the bill is not available. Next week THE FINANCIAL POST will issue a large special edition setting forth the full case for the iron ore bounty. It will contain the full text of the bill.

GOLD, A MERE COMMODITY

London Firm Sees U.S. Afflicted With King Midas Trouble

Gold is a mere commodity to-day. Statistics show India and U. S. absorb nearly the entire world's output, says Samuel Montagu & Co., London. In neither country is the gold put into circulation as currency. In the former it is regarded as a precious metal bearing a ratio towards rupees—the silver coins of that empire—differing from that set up by the Imperial Government of the country by the official calculation of 10 rupees to the sovereign. In the latter, it is interned in the reserve of the federal banks, and its accumulation watched with anxious care, lest it should operate to the prejudice of prices and trade. In other words, the United States is suffering to some extent from the trouble that afflicted King Midas.

FULFIL PREDICTIONS

No Tie-up Because of Power Shortage Will Help Gold Output

Advices from the north are that present conditions are against any possibility of the mines being handicapped this year by a power shortage. Power problems last winter were serious and seriously curtailed the output of the Porcupine camp.

If the mines are enabled to maintain a 12-months' uninterrupted production, the production of $25,000,000 in gold this year should be easy of realization.

8,000 TONS SOON

Production of 8,000 tons daily will be an accomplished fact at an early date, said Pres. Noah Timmins, in telling of the future of Hollinger Gold Mines. He said the substitution of rod mills for stamps in the mill was producing excellent results.

MCINTYRE STARTS DEEP EXPLORATION OF ITS PROPERTY

Preliminary to Launching 5,000-ft. Shaft, Will Sink Drill as Far as Possible

McIntyre has taken the first step in its plans to test out the Porcupine camp at great depth.

Having reached a depth of 2,500 feet and having found that the rich values persist, McIntyre intimated not long ago that a new shaft would be sunk to 5,000 feet.

R. J. Enis, general manager, recently informed THE POST that as a preliminary to launching this effort, he was undertaking diamond drilling, presumably to decide on the location of the shaft. Recently a drill was started from the 1,875-foot level and it is the intention to drive the drill down as far as it will go or until it starts to flatten out. Judging this on Newray's experience the drill may not go 500 vertical feet, although it is possible that it may go as deep as 1,000 feet.

APPROVE BUYING LORRAIN CLAIMS

Clifton Shareholders Adopt Plans of Reorganization to Enter New Field

Clifton shareholders have approved of the re-organization of the company and the purchase of new properties in South Lorrain. The advantageous deal for these claims which made financing necessary, met with unanimous endorsation from the shareholders represented in person and by proxy. Clifton Consolidated will have $2,000,000 capital, with 1,000,000 shares in the treasury. Vice-president Gibson stated than an energetic campaign of development would be started on the new properties just as soon as weather conditions would permit. The possibilities of the new group were conceded to be very attractive by engineers who were best acquainted with geology in that area. Several veins carrying encouraging values in silver have already been opened up, and he pointed out that the diabase-keewatin contact extends through the group for three-quarters of a mile. It is the intention to get building materials for the camp on the properties immediately. Walter Boland and Walter Penly are new faces added to the board.

Mine Taxation Causes Much Worry in B.C.

NELSON.—Provincial mining taxation will be discussed at the forthcoming annual convention of the Associated Boards of Trade of Eastern British Columbia. Mining interests contend that through present taxation, much capital that would otherwise be invested here finds its way to Ontario or Quebec. It is likely that the Government will be asked to exempt from taxation all money made from mining in B. C. and reinvested either in the establishment of plants or in the enlargement of plants already existing.

SILVER AND OTHER METALS

February	16	18	19	20
Silver—				
London (P)	33⅞	33⅞	33¾	33 7/16
New York	65	65	64⅝	64
Copper	13⅛	—	13½	13⅝
Lead	8.50	—	8.50	8.50
Zinc	6.85	—	6.95	6.85

Mining Stock Quotations

Week Ending February 19

	High	Low	Close Feb. 12	Close Feb. 5
Apex	2½	—	—	2½
Algonquin	2¼	2	2¼	2
Argonaut	61	56	58	57½
Atlas	4½	4¼	4½	4
Baldwin	5⅝	5	5½	5½
Beatty Rts.	3¾	3¾	¾	3
Beaver	28½	27	27	28
Bidgood	11¼	10⅝	10⅝	11
Buckingham	5⅝	5	5	5¼
Capitol	33½	32	32	32½
Castle Tre.	62	57	57½	61½
Coniagas	2.35	2.30	2.30	2.25
Cons. Smelters	37	35	36⅞	37
Cons. W. D.	27½	25¼	25¾	27½
Clifton	8⅞	8¼	8½	7½
Col. Kirk.	4	4	4	5
Crown Reserve	63¾	59	59½	64
Davidson	5	4¾	4¾	5
Dome Mines	18.70	17.90	17.80	18.30
Everett	13½	13	13	13
Lakeside	23	20	21	—
Gold Reef	2	2	2	2¼
Goldale	47	31	35½	44
Hattie	8¾	7⅝	8	7⅝
Hollinger	12.05	11.50	11.55	12.00
Hunton	7½	6½	6½	7
Inspiration	9½	9½	9½	10
Indian	37	30	32	39
Keora	13¼	11½	11½	13½
Keeley	2.53	2.34	2.38	2.53
Kirk. Lake	21	20¼	20¼	22
La Rose	24½	21	23	20½
Lebel Oro	33	30	33	30
Lake Shore	3.61	3.55	3.55	3.58
Lorrain, T. L.	1.37	1.27	1.27	1.38
Lorrain	16½	16	15¾	16½
McIntyre	17.90	17.20	17.40	18.00
McKinley	15	13¼	14	15
Mining Corp.	3.75	3.36	3.38	3.73
Moneta	23½	22	22½	23½
Montreal, Ont.	21	15	17½	20½
Newray	39	33	36	38
Nipissing	6.50	6.40	6.40	6.45
Night Hawk	95	89	94	90
Ophir	3⅝	3⅛	3⅝	3¼
Pete. Lake	9½	9	9¼	9⅝
Prc. Crown	12	10½	10¾	12
Preston E. D.	13	12½	12⅝	12¾
Teck Hughes	1.30	1.21	1.24	1.30
Thomps. Krist	5	4¾	5	5¼
Timiskaming	32	31	31	31
Tough Oakes	70	66	67½	68½
Trethewey	8½	7⅛	7⅛	8½
Vickers	23	22	23	23
Vipond Cons.	1.33	1.15	1.20	1.32
Wasapika	3½	3¼	3½	3¼
West Tree.	5	4½	4½	5
Wettlaufer	21	19	19	21
Wright Har.	2.95	2.85	2.90	2.90
NEW YORK PRICES				
Inter. Nickel, com.	14⅛	12¾	13¼	14⅛
pref.	80½	80	80	80
OIL COMPANIES				
B. A. Oil	36½	35¼	35¾	36¾
Imperial Oil	115	110½	111	113
Inter. Petrol.	21	19¾	20	21
Mutual Oil	12⅞	12⅛	12¼	12⅞
North Star, com.	1.00	1.00	1.00	90

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BROWN CORPORATION
7% Cumulative Preferred Shares
(par value $100)

Quarterly dividends payable 15th February, May, August and November, in United States gold coin or its equivalent. Callable as a whole or in part at 105 and accrued dividend. To be redeemed by Sinking Fund payments of $100,000 per annum, commencing November 30th, 1925.

CAPITALIZATION

	Authorized	Outstanding
First Mortgage 6% Bonds (due $100,000 semi-annually)	closed	$1,400,000
7% Cumulative Preferred Shares (this issue)	$2,000,000	2,000,000
Common Shares	9,000,000	9,000,000

SUMMARY

1. **THE COMPANY**—The Brown Corporation is one of the largest producers of sulphate pulp in Canada. The Brown Company is the largest manufacturer in the United States of bleached sulphite fibre pulp and kraft wrapping paper, and also manufactures Bond paper, lumber and allied products. It owns the entire Capital Stock of Brown Corporation.

2. **PROPERTIES**—The Sulphate Pulp Mill of the Brown Corporation, which has an output of 220 tons per day, is located at La Tuque, P.Q. The Corporation also owns at La Tuque a developed hydro-electric power of 4,400 h.p. and an undeveloped water power of 140,000 h.p. Timber Limits consist of about 1,000,000 acres freehold land, 2,000,000 acres of leasehold land, and standing timber on an additional 160,000 acres. Total timber holdings amount to about 5,000 square miles, conservatively estimated to contain about 12,000,000 cords of pulpwood.

3. **ASSETS**—The net tangible assets of the Brown Corporation amount to $10,370,000, and the net current assets to $3,403,000, showing a total of net tangible assets of $13,773,000, as against this issue of $2,000,000, or $583.00 per share of this Preferred Stock. The combined assets of the Brown Corporation, and the Brown Company are in excess of $65,000,000.

4. **EARNINGS**—After taxes and interest, for the last five fiscal years, the earnings of the Corporation averaged $670,000, and for the last ten years $608,000. During the ten-year period, annual depreciation charges deducted averaged $311,000, which left a balance available for dividends of over twice the requirements of this issue.

5. **PREFERRED SHARES**—The Brown Company, of Portland, Me., agrees that in the event of the Brown Corporation failing to pay quarterly preferred dividend within one year of the required dividend date, or if the Brown Corporation shall fail to make the required provision for Sinking Fund purposes, it will purchase any stock offered at 105, and accrued dividend, United States funds.

PRICED: 98½ and accrued dividend
(United Seates Funds.)

NEWMAN, SWEEZEY & COMPANY
LIMITED
Montreal

The statements contained herein are based upon information which we believe to be reliable, although we cannot guarantee their accuracy.

Future of Silver Market Seems Rather Obscure

The future of silver is obscure, says S. Montague & Co., London, in dealing with the 1924 outlook. The substantial accession to available supplies, caused by the U. S. output again coming into the market, would seem to suggest easier prices, but this might possibly be partially or wholly set off by reduced offerings of demonetized metal and by a tendency on the part of the smaller European States to mint silver subsidiary coins in order to create confidence in their monetary systems. This step has taken place in some countries already, but there is not yet any indication that the more powerful States in the West and South will, in the near future, go to such an expense so long as their note issues readily circulate within their territory. Nor would it seem probable that any return of the quality of British silver coins to 925/1000 from 500/1000 fine is likely whilst economy is of pressing moment in the interests of State finance.

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NEWS OF THE BANKS AND BANKING

SAYS INSPECTION AND GUARANTEES NOT EFFECTIVE

H. V. F. Jones Discusses Proposed Changes in Bank Act

In the following extracts from an address before the Orillia Canadian Club, by H. V. F. Jones, assistant general manager of the Canadian Bank of Commerce, are to be found arguments against the proposals for government inspection of the banks, guarantee of deposits and other suggested amendments to the Bank Act which seem certain to be discussed in the House of Commons during the coming session. Bank managers will find the views of Mr. Jones of particular value in discussing these questions.—J. W. T.

The Canadian system of banks with large paid-up capital and reserves, with the double liability, affords the average man an easier opportunity to make a selection than would be the case if there were numerous small banks with limited capital and resources.

Some public men have given utterance to suggestions that our system does not afford sufficient protection to the depositor. It is proposed for instance that the banks should create a guarantee fund along the lines of the Bank Circulation Redemption Fund, but I would point out that there is this essential difference between the two proposals.

The holder of a bank note becomes an involuntary creditor of a bank, whereas a depositor can exercise his judgment as to whether he will become a creditor of a bank. Furthermore the proposal that banks should guarantee the deposits of each other has been tried out and found wanting. Fortunately for Canada we have many opportunities afforded us of watching experiments tried out in that fertile land of experiments, the United States, and the results in Oklahoma, Kansas, Washington, etc., do not warrant us in adopting any such plan. It puts a premium on unsound banking and gives no credit to bankers of integrity who execute their great trust with wisdom and skill.

Inspection Not Favored

Other suggestions are along the line of Government inspection of banks, or control by a body to be set up by the Canadian Bankers' Association, to assure the public that the statements published by the banks are a correct representation of the banks' affairs. My reply to such is that at the recent revision of the Bank Act the suggestion of Government inspection was most carefully considered, but was not accepted. The only country to my knowledge which possesses Government inspection is the United States, and the record there does not lead one to place much, if any, reliance in any such plan. Such inspection does not prevent loss, it only discovers it after it has occurred, and while the fear of such inspection might act as a deterrent, yet in spite of Government inspection the records of the failures in the United States are replete with instances similar to those which have occurred in Canada.

Well managed banks in Canada possess an extensive system of internal inspection occupying a large staff and carried on at great expense. It is essential to the proper administration of a bank and no form of government inspection could take its place. The Bank Act now requires that two auditors, fully qualified, should be employed, whose duties are very clearly defined and whose joint examination with direct reports to the Directors, affords a safeguard to the depositor and shareholder. The banks which have been in the limelight only had one auditor. At the recent revision this feature—the submission of an accurate statement of a bank's position—was therefore felt to be fully cared for when the shareholders were required to appoint two auditors. In addition to this certain requirements regarding the classification of non-current loans—frozen assets—were added to the Act which provide a check, as well as provisions requiring the auditors to make certain reports to the directors. In the opinion of many the feeling is that the Act as passed should be given an opportunity to function before any drastic changes are adopted.

Comparatively Few Failures

While on this subject it seems timely to remark that, while bank failures have taken place in Canada from time to time, accompanied by evidence of reckless bad management and sometimes dishonesty, yet in comparison with events in other countries I think I can safely say that we have a very fair record, and further we have come through the recent period of inflation with reasonable credit to the banks. It is true there has been one failure of a disastrous character, due apparently to the disregard of sound banking principles, and in addition there have been adjustments of reserves in two banks which reflect credit on the courage of their administration, for reserves are there to be used for just such a purpose.

All banks have suffered losses from the world-wide deflation resulting from the orgy of inflation after the war, and when we look to the south of us we find failures of gigantic proportions in New York, enormous writing down of inside and outside reserves, and recently in the West, chiefly in the states abutting on Canada which are suffering from conditions similar to those existing in our North-West, the failure of banks is causing widespread ruin. Dr. Tory is reported to have said that the United States farmers in those States "are in such serious financial difficulties as to make the situation in any part of Canada look rosy in comparison."

One report I have states that 578 banks failed in 1923, with liabilities of $203,739,138, and if we were to take the number of failures in the United States and the amount of liabilities and compare them with the failure of Canadian banks over a course of years, the showing would be greatly in favor of our system. Imagination fails to visualize the picture of distress which would prevail in our North-West if, instead of our present system of large banks able to carry the heavy burden of lock-ups and loss suffered there, small or local banks had been in existence. They would have been wiped out as a result of difficulties in which agriculture finds itself to-day.

That I think answers the case for more Government control in the affairs of the banks.

The Granting of Credit

With regard to the question of credit, the banks can only grant such facilities in relation to the deposits they obtain and it may interest you to learn that while our loanable funds in 1903 were in the following proportion, 69 per cent. from deposits, 20 per cent. from capital and reserve, in 1923 the ratio stood 83 per cent. from deposits and 9½ per cent. from capital and reserves. If the banks' deposits are diverted to other institutions, or locked up in government expenditure, by so much will the banks be able to assist the commerce of the county.

Another feature of attack is that our capital is too small, but what can you expect if banks are continually to be the subject of criticism by the press and others? That our capital and reserves bear a fair relation to liabilities is clear when it is demonstrated that the capital of Canadian banks to liabilities is some 10.12 per cent., whereas in Great Britain this ratio is 6.34 per cent. to liabilities.

IMPERIAL BANK

The Imperial Bank of Canada announces the following staff changes: W. M. Field, formerly accountant, Rosthern, Sask., branch, has been appointed accountant-in-charge at Hepburn, Sask. G. B. Turner, formerly accountant-in-charge, Hepburn branch, has been appointed accountant at Rosthern, Sask. J. P. Michaud, formerly accountant, Timmins branch, has been appointed manager at South Porcupine. R. F. Brown, formerly at main branch, Sault Ste. Marie, has been appointed accountant, Timmins branch.

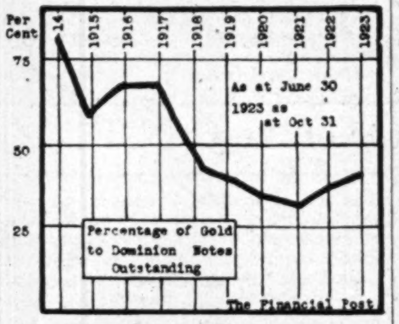
VICTIMS NUMEROUS

Germany succeeded in selling at least $2,000,000,000 worth of paper marks to foreigners before the world lost confidence, according to one of the Reparations Commission's experts.

Can We Go On a Gold Basis?

The fact that Professor Stephen Leacock, head of the department of political economy of McGill University, has come out for a return to the gold standard in Canada has added interest to the subject of a resumption of gold payments, which have been suspended since the outbreak of the war. Professor Leacock, along with other economists and bankers, feels that Canada would suffer no great shock from taking such action and would likely reap numerous benefits.

As will be seen from the charts below, there has, during the past two years, been substantial improvement in the gold position of Canada.



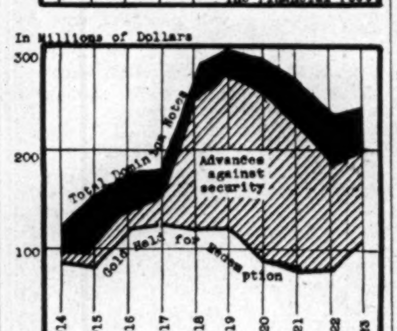


Chart No. 1

There has this year been a sharp rise in the percentage of gold held for redemption of Dominion notes outstanding. It is this increase in our gold holdings together with a decline in Dominion notes outstanding from the peak figures of 1919 that suggest the possibility of a resumption of gold payments in Canada.

Chart No. 2

The upper line indicates the totals of Dominion notes outstanding; the lower line the gold held for redemption of these notes. The difference is, of course, the amount of Dominion notes outstanding that are not backed by gold. But of these notes without gold backing a large portion have been advanced to the various banks against securities deposited with the Government. Such advances are shown in the shaded area. Thus the actual amount of Dominion notes in circulation that have no security behind them beyond the credit of Canada is much smaller and is indicated by the black area. The figures from 1914-1922 are as at June 30. The 1923 figure is as at Oct. 31.

DOUBLE LIABILITY IS NOT SUFFICIENT

Liquidator Clarkson Outlines the Losses Sustained by the Home Bank

Claiming that the total amount which will be realized on the assets of the Home Bank of Canada, including the sums which may be recovered from double liability on shares, will fall far short of the amount required to pay liabilities, G. T. Clarkson, one of the liquidators, has filed statements showing losses, already incurred or which will be incurred in realization of various loans, in the neighborhood of $5,000,000. Some of the principal items are as follows:

Arnprior Cabinet Co., Limited, Arnprior, loans, $120,410; loss $115,000.

Atlantic Suit Company, Toronto, loans, $65,857, loss, $60,000.

Canadian Realty Company, Limited, Toronto, loans, $59,903, loss, $25,000.

Canadian Property Company, Limited, Toronto, loans, $919,347, loss, $150,000.

Canadian Shoe Company Limited and King Shoe Co., Limited, Toronto, loans, $577,558; loss, $475,000.

Estate of General Mason, Toronto, loans, $54,618; loss, $40,000.

False Creek Timber Company, Ltd., Vancouver; loans, $126,394; loss, $120,000.

Holmes, A. G. Alsask, Saskatchewan; loans, $275,347; loss, $225,000.

Lamont, G. D. and Hector, Toronto, loans, $157,342; loss, $75,000.

Mason, J. C., estate, Toronto; loans, $33,132; loss, $15,000.

Mitchell & Co., W. G., Toronto; loans, $399,000; loss, $399,000.

Pattison, Jr., & Co., A. J., Toronto; loans, $266,086; loss, $200,000.

Howe Sound Pulp and Paper Co., Ltd., Toronto, loans, $980,000; loss, $500,000.

British Dominion Holding & Investment Co., Montreal, loans, $1,428,811; loss, $950,000.

Manufacturers' Holding & Investment Co., Toronto, on loans of $481,228, a loss of $81,000, and on shares valued at $180,000, a loss of $180,000.

Dominion Industries Limited, Toronto, loans, $8,782; loss, $8,000.

H. J. Daly, Toronto, loans, $84,759; loss, $50,000.

Canadian Debenture Corporation, Toronto, loans, $47,496; loss, $15,000.

O'Connor, T. S., Toronto, loans, $31,231; loss, $25,000.

Canadian Trucks Limited, et al., Toronto, loans, $72,000; loss, $20,000.

Head Office, staff loans, Toronto, loans, $100,595; loss, $70,000.

Foreign Department, losses on over valuation of foreign balance; loss, $75,000.

Security Losses

There are also the following security losses:

$124,300 Murray-Kay, Limited, 7 per cent. preferred stock; loans, $118,665; loss, $50,000.

$75,550 Chicago North Shore & Milwaukee Railway, 1st pref., loans $80,810; loss, $40,000. On security of $12,500 advanced by the same company there was also a loan of $3,750 advanced.

The remaining items, without their numbers, are:

$250,000, James O. Ogilvie, Limited, 7 per cent. pfd.; loans, $225,000; losses, $25,000.

$57,000, British Empire Steel, 7 per cent., second pfd.; loans, $22,610; losses, $10,000.

$24,000, British Empire Steel, common; loans, $2,960; losses, $1,000.

Other Large Loans

Montreal—Herdman & Company, loans, $50,000; losses, $40,000.

Winnipeg—Armstrong, Caldwell & Howden, loans, $39,465; losses, $20,000. Cook Lumber Company, loans, $59,302; losses, $30,000. Mattson, Lumnell & Quesnelle and John Mattson, loans, $32,887; losses, $15,000. Noble & Co., Limited, loans, $18,000; losses, $12,500.

Vancouver—Eagle Timber Co., Ltd., loans, $66,464; losses, $25,000. Harris & Co., loans, $73,943; losses, $10.00

Fixtures and Furniture

Fixtures and Furniture—As per books of bank, $321,000; realizable value is probably $40,000. For purpose of this statement take at $121,293. Loss would then be $200,000.

Notices regarding the enforcement of the double liability clause have been sent to 1,722 shareholders and defences have been filed by 335, leaving 1,387 filing no defences. An order has been made placing on the list of contributories those who have not filed dissent, but anyone with a bona fide defence coming forward within 30 days with an application to have their name removed, will have their application heard.

EXCHANGE

The recent stir in the foreign-exchange market, when the French franc dropped below the Italian lira for the first time, sharply recalls the fact that the relative position of fluctuating European currencies to each other has been roughly maintained during even violent ups and downs in foreign-exchange quotations. In other words, there seems to be a tendency for the European exchanges to move together as compared with the American dollar. The reason for this is, of course, the fact that political and sentimental influences in the exchange market more or less affect all the leading European nations simultaneously or, to put it in another way, there is practically such a thing as a New York-Europe exchange quotatoin which is more or less reflected in the individual quotations of European currencies.

NEW YORK FUNDS

			Last Year	
	High	Low	High	Low
Feb. 14	3 1-16	3 1-16	1 1-4	1 1-8
Feb. 15	3 1-16	3 1-32	1 1-4	1 3-16
Feb. 16	3 1-16	3 1-32	1 3-16	1 3-32
Feb. 18	3 1-16	3 1-32	1 1-4	1 3-16
Feb. 19	3 1-64	3 -	1 9-32	1 1-4
Feb. 20	3 5-32	3 3-32	1 17-32	1 5-16

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Feb. 14	4.30⅜	4.49½	4.35¼
Feb. 15	4.28⅞	4.41	4.34½
Feb. 16	4.29⅛	4.37	4.33¾
Feb. 18	4.28⅝	4.12	4.28¼
Feb. 19	4.28⅞	4.14	4.29
Feb. 20	4.30⅛	4.15½	4.29½

DEPOSITS COST 5.12 PER CENT. LAST YEAR

Provincial Treasurer, in the Budget, Hints at Reduction From 4% Rate

As forecasted recently by THE FINANCIAL POST it is considered likely that the interest rate on deposits in the Province of Ontario Savings Offices will be reduced from 4 per cent to a lower figure, possibly 3 per cent. This intimation is given in the references of the provincial treasurer in his budget speech to the operations of the offices.

He stated that the government aimed to conduct the business on conservative lines. He showed that the profits for the past year were $12,602 and stated further that deposits had increased during September, October and November, over 50 per cent., and the cost of provincial deposit moneys to the government had decreased from 7.54 in 1922 and 5.12 in 1923 to 5.08 in the last three months.

Increases in deposits had been keeping up steadily, but only time would tell whether the situation was abnormal, and also whether, with money costs declining, the government could afford to continue to pay 4 per cent interest.

The cost of the money to the province, being 5.12 per cent. in 1923, is less than that on the proceeds of bond issues sold during the past three years. However, the cost of money through bonds has shown a steady drop since the slump of 1920 to a 5.30 per cent. basis on the $40,000,000 loan secured last October, and there is every possibility that it will go lower in future years.

Midland The Largest Bank in the World

The largest bank in the world is now the Midland Bank of London. There has been a neck-and-neck struggle for the past few years between the "Big Five" banks of London; but the Midland has now shot far ahead of its competitors by buying control of the "North of Scotland Bank." This step puts the Midland at the top of all the financial institutions of the world. It has now 2,188 branch banks and total deposits of $2,400,000,000. It has 1,746 banks in England and Wales, 342 in Scotland and 100 in Ulster. It has over 900 agents in the Dominions and foreign countries. It has 123 agents in the United States and five of them are in Philadelphia.

In 1923 the Midland made its usual net profits of $11,000,000. In the last six years its profits have been $70,000,000 and its dividend has been maintained steadily at 18 per cent. It has the largest reserve fund of any British bank—$50,000,000, and its loans to clients are at the moment over $1,000,000,000. The value of its land and buildings is more than $25,000,000.

Alleges Trafficking By Bank in Own Shares

A. J. Pattison, Jr., Toronto, who is on the "double liability" list of the Home Bank for 2,085 shares, $208,500, has filed his defence at Osgoode Hall. He denies that his name has been properly entered upon and included in the list of contributories, etc.

He alleges that the application for shares procured from him were procured by the fraud, deceit and misrepresentation of the agents of the bank.

He alleges that the bank is indebted to him for moneys deposited with or otherwise advanced or loaned to the bank, and the same should be set off against any liability, if any.

He alleges that the shares of stock, if any, purchased by him belonged to the bank, and the sale constituted a trafficking by the bank in its own shares and was and is illegal and void.

Staff Gossip

A. C. Hill has been transferred from the Calgary branch of the Bank of Nova Scotia to the Regina branch.—The Enterprise, Rouleau.

* * *

Randolph Blackwell, of the Bank of Commerce staff, Dundalk, will go to Dresden, and will have as his successor in Dundalk, G. N. Spring, of Dresden. —The Economist, Shelburne.

* * *

J. F. Haggerty, who has been accountant at the Standard Bank here for the past three years, has been appointed manager of the Eglinton branch at Toronto. Mr. Haggerty has a host of friends here who will be pleased to hear of his promotion.—The Spectator, Hamilton.

* * *

Darrel C. Lounsbury, who for the past three years has been accountant at the Bank of Nova Scotia, Guelph, has been transferred to the bank at Havana, Cuba. Mr. Lounsbury was on the staff of the bank in this city until three years ago when he was transferred to Ontario.—The Gleaner, Fredericton.

* * *

J. D. Mills has been appointed acting-manager of the Stirling branch of the Bank of Montreal, in place of J. F. Johnstone, who has been transferred to Fenelon Falls branch as manager. Mr. Mills comes from the main branch in Montreal, where for some time past he has been in charge of the Foreign Exchange department.—The News-Argus, Stirling.

* * *

The announcement of the approaching retirement of Alexander Montizambert, manager of the Bank of Montreal here, will be received with widespread regret.

Mr. Montizambert was born in Quebec, and joined the Bank of Montreal in that city in August, 1872. He had, consequently been with the company for the last fifty-one and half years.

His first position as manager was at the Wallaceburg, Ont., branch. Subsequently he was sent as manager to the branches at Amherst, N.S., Lindsay, Peterboro and Brantford, Ontario, and finally Victoria.—The Colonist, Victoria.

MOUNT ROYAL HOTEL COMPANY, LIMITED

ANNUAL REPORT

December 31st, 1923

PROFIT AND LOSS

Balance at December 31st, 1922			$ 4,974.61
Gross Income January 1st to December 31st, 1923		$2,549,038.92	
Operation Expenses, Depreciation, etc.		2,070,305.92	
Gross Operation Profit		478,733.00	
1st Mortgage Bond Interest	$280,000.00		
Interest on Convertible Debentures	156,803.96		
		436,803.96	
Net Operation Profit			41,929.04
Balance at December 31st, 1923			$46,903.65

BALANCE SHEET

ASSETS

Current Assets—Cash			
Royal Bank—Montreal	$ 182,544.82		
" —Toronto	100.00		
Peoples Bank—Buffalo, N.Y.	43.75		
Niagara Falls Trust Co.	369.25		
Cashier's Banks	11,075.00		
		$194,132.82	
Accounts Receivable		289,876.23	
Current Inventories		68,036.53	
Total Current Assets			$552,045.58
Fixed Assets			
Land			1,397,413.50
Building	7,841,957.80		
Fixed Inventories	1,121,266.93		
		8,963,224.73	
Reserve for depreciation and loss of inventories charged to operation during year	120,984.78		
Less—			
Written off for loss of inventories, etc.	69,884.78		
		56,100.00	
			8,907,124.73
Deferred charges to operation			220,294.36
Operation Agreement			6,900,000.00
			$17,976,878.17

LIABILITIES

Current Liabilities			
Accounts Payable		$313,836.50	
Interest Accrued		149,374.13	
Wages		25,866.01	
Sundry Accrued Accounts		115,197.88	
Total Current Liabilities			$604,274.52
Fixed Liabilities			
Capital Stock Ordinary			$6,000,000.00
8 per cent. Preference Stock	7,000,000.00		
Less—			
Unissued Preference Stock	640,100.00		6,359,900.00
8 per cent. Convertible Debentures Outstanding			465,800.00
Serial 7 per cent. Notes			500,000.00
First Mortgage 7 per cent. Sinking Fund—20 year Bonds			4,000,000.00
Surplus			46,903.65
			$17,976,878.17

PRESIDENT'S ADDRESS, ABRIDGED

To the Shareholders:

Gentlemen:

The Mount Royal has been operated under the direction of United Hotels Company of America which to-day, I believe, directs the operation of the largest chain of first-class hotels in the world. Especial care has been given by the officers and supervisors of that Company to the details of operation.

There has been a consistent effort on the part of the United Hotels Company of America and the Directors and Officers of the Mount Royal Hotel Company to create an asset in the form of good-will by rendering the highest class of service and giving the greatest attention to the courtesies and details of operation. I feel that a great measure of the success during the first year has resulted from such supervision and direction.

I wish to especially call attention to the services rendered by Mr. George H. O'Neil, General Manager of Canadian Hotels, and Mr. Vernon G. Cardy, Resident Manager. The management has given to the hotel a high standard of operation which equals in efficiency and courtesy that given in any hotel on the American continent, and all that is now required to make the Mount Royal Hotel an unqualified financial success is an increased volume of business.

From the amount of patronage given to the hotel last year and the amount of convention business secured for the current year, with the increased growth and improved business conditions of the Metropolis of Canada, we believe that the requisite volume of business will be available.

The United Hotels Company of America, who have the largest investment in this enterprise, are most keen to secure this necessary volume of business at the earliest date possible so that the dividends on both the preference and common stock shares may be earned, and co-operation on the part of the stockholders will be of great and appreciated assistance in this common effort.

The following statistical information is also submitted:

Total guests registered in 1923	249,984
Total meals served	881,826
Greatest number of guests on single night in 1923	1,755
Number of shareholders of Common Stock	3,410
Percentage of rooms occupied throughout year	50.7 per cent.

Yours respectfully,
FRANK A. DUDLEY,
President.

Few Bank Branches Opened in January

The Canadian chartered banks during January opened seven new branches in various parts of the Dominion, and closed fifteen, making a net loss of eight branches for the month. Following is a list of the branches opened and closed during the month:

OPENED

Commerce—Marsden, Sask.

Hochelaga—Morewood, (sub-agency), Russell, Ont.

Imperial—Queen and Bathurst Sts., Toronto.

Royal—Santo Domingo, Cuba.

Toronto—MacTier, Ont.

Union—Hughton, Sask.

CLOSED

Commerce—Quinpool Road, Halifax.

Hochelaga—Ridgeville, Man. (sub-agency).

Montreal—Arnaud, (sub to Dominion City, Man.) Naramata (sub to West Summerland, B.C.)

Nova Scotia — Morrisburg, Ont.; Chapel St., Ottawa; Blackville, N.B.

Provinciale—Notre Dame de Kent, N.B.

Royal—Wolfe Island, Ont.; Halifax, Buckingham St.; Spy Hill, Sask.; Langham, Sask.; Bruce, Alta.; Barranquilla, Colombia.

Toronto—Lanfine, Alta.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Feb. 14, 1924	Change	%
Montreal	$98,873,826+	$21,962,652	28.5
Toronto	94,125,815+	9,039,048	10.6
Ottawa	5,351,682+	463,277	9.5
Quebec	5,348,101+	1,483,836	38.4
Hamilton	4,360,751—	1,352,817	23.6
Windsor	2,515,230+	208,504	9.0
St. John	2,425,803—	76,541	3.0
Halifax	2,273,558—	273,095	10.7
London	2,239,822—	119,764	5.1
Kitchener	1,124,477+	370,050	49.1
Brantford	867,284+	5,742	.6
Sherbrooke	699,118+	169,907	32.1
Moncton	696,877—	324,895	31.8
Peterboro'	629,022+	8,211	1.3
Kingston	533,066—	9,982	1.8
Total East	$222,059,382+	$31,555,133	16.6

WESTERN CITIES

	Feb. 14, 1924	Change	%
Winnipeg	$37,458,986+	$4,453,146	13.4
Vancouver	13,750,775+	659,280	5.0
Calgary	7,106,140+	3,527,157	98.5
Edmonton	3,751,486+	500,190	15.3
Regina	2,779,776+	495,261	21.6
Victoria	1,787,474+	262,011	17.1
Moose Jaw	902,238+	128,085	16.5
Ft. William	667,915+	68,826	11.5
New Westmin.	496,264+	67,807	15.8
Lethbridge	473,378+	100,364	26.9
Brandon	414,787+	58,583	16.4
Prince Albert	345,436+	77,687	29.1
Medicine Hat	281,572+	63,954	29.4
Total West	$70,216,227+	$10,462,351	17.5
Grand total	$292,275,609+	$42,017,484	16.8

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

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PUBLISHED BY

THE MACLEAN PUBLISHING COMPANY, LIMITED
143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 126 Bleury St., F. S. Chalmers; WINNIPEG, 610 Confederation Life Building, E. H Hawkins; BOSTON, 734 Old South Building, C L. Morton; NEW YORK, Room 1606, St. James Building, 1133 Broadway (Corner 26th Street), A. R. Lowe; CHICAGO, Room 1004, Federal Life Building, 168 North Michigan Boulevard, Phone Dearborn 8694; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E. C., E. J. Dodd, director.

The detailed circulation statement we submit is not our own claim, but the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

FEBRUARY 22, 1924

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

HOW TO GET THE TAXES DOWN

PERHAPS the brightest side of the taxation situation is the growing appreciation by the public that lower levies must necessarily be accompanied by less spending. Boards of Trade, which are usually calling on the various governments for local improvements to be financed out of the public purse, are leading the present campaign for retrenchment. Newspapers throughout the country are showing a desire to educate public opinion as to cause and effect in taxation. The Calgary Herald declares that "the members of the legislature should hear from the people in their constituencies, not in the form of requests for new services, but in the form of demands that the members support an economy programme." The Orillia Packet brings the issue home to the municipal taxpayers:

> The primary concern of the Town Council for 1924 should be to keep down the tax rate. The council will require firmness. The council will have to learn to turn a deaf ear to many requests that in themselves sound reasonable, and even desirable. But a merely negative attitude will not be sufficient. There must be positive reductions. There will have to be less money spent on roads and streets, parks, public buildings, sewer operation and all the controllable items of public expenditure.

Politicians have for years worked on the principle that the way to get votes is to spend money—to get their hands into the "pork barrel." When the people bring it home to these same politicians that what they want is less spending and lower taxes and that they will cast their votes accordingly a real improvement in the situation may be looked for.

BANKS AND LOAN COMPANIES STAND THE TEST

THE conviction that the financing of the Western farmer by the banks and the mortgage companies has stood the test of the period of depression and deflation in agriculture better than has the financing by the unit banks—even with government assistance—in the Western States is not held by the banks and loan companies alone. The following from the Saskatoon Star indicates that Canada's better position to-day is appreciated and that the financial system is being given a good share of the credit for this situation:

> Here is where the superiority of the Canadian banking system over the American system becomes evident. The banks in these four states, being local concerns, naturally were completely tied up with these farm loans. They had not deflated their credit promptly enough; and partly as a result of this the farmers had not reduced their operations promptly enough. The two things went together, being based upon local optimism—upon faith in the "essential stability and prosperity of our district." The result was that the banks carried the loans—they could do nothing else—until they ate into the banks' assets and caused failure after failure.

As shown by the inquiry conducted by Washington, Canada has the advantage in land values, transportation costs and yields in the production of wheat, but this should not alter the fact that the banks and loan companies have handled the situation with judgment and consideration. By their wide-flung connections they have been able to place resources at the service of the West which could never have been made available by purely local institutions.

THE ASSURED FARM INCOME

ALTHOUGH federal and state agencies have extended financial aid to the American farmers in the wheat belt, the conditions appear to be worse than in Canada where the banks and the loan companies have been taking care of the situation. In the affected States it is reported that over 500 banks have failed, with deposit liabilities of many millions—loans turned slowly and then went bad and depositors lost confidence and withdrew their funds. President Coolidge appears to have appreciated the situation, for in his communication to Congress on the subject, he intimated that there would be a limit to the character of assistance the federal government could render, and stated that it could not supply banking capital or organize loan companies.

Short-term, intermediate and long-term loans have been made by federal, state and other agencies, and advances have been made on land, live stock and products in storage or in process of marketing. A bill is before Congress for an additional $75,000,000 to make further available to the farmer means for investment in those activities which will add to the farm income.

A remedy for the situation in the United States in the grain growing states is urged in mixed farming. The same remedy applies in Canada where the one crop brings doubtful profits. Of course it is no simple matter to act on this advice, but it is interesting to note what has been accomplished by Denmark, which country sixty years ago faced a situation comparable to that in the wheat areas of the United States and Canada:

> "In 1860, the plains of Denmark were farmed on the Norfolk system—that of producing large acreages of grain at the cheapest possible cost, and being satisfied with a low yield per acre. After the disastrous German war, Denmark found herself a bankrupt country with only one asset—her land. But, under the prairie system of farming, by no conceivable juggling with figures could her statesmen find any road to renewed prosperity. The solution of her problem is too well known to require emphasizing here. Her leaders carefully considered the problem of what method of farming was going to produce most wealth. They decided rightly in favor of the production of milk and bacon—not barley, rye, or wheat—as their staple crop. The result can almost be described as one of the seven wonders of the world.
>
> "A curious situation has arisen, however. Owing to the enormous increase in the fertility of the land by the adoption of these methods, and the fact that her average wheat-yield has arisen from about 25 bushels per acre to 50, greater quantities of grain, which is now merely a by-product, are available for human consumption than ever before. The value of her staple products—milk and bacon—is now greater than the total productive value of her lands under previous conditions."

Farmers in Canada are in a better position to grow wheat profitably than the farmers in the United States on the basis of cost, but still the advantages of diversified crops are becoming more and more evident. Already considerable progress is being made in mixed farming, but there is still a long way to go before the Western prairie can look forward to its crop returns with assurance.

PROTECT MINING FROM BUCKET SHOPS

IT CAME out during the trial of Bryant Brothers, brokers, recently convicted of criminal acts, that they had traded in stocks on a marginal basis on a shoestring. They started with no other assets than enough to pay the first month's office rent. The case furnishes a lesson that should not be lost sight of in face of the present influx of brokers of the bird-of-passage type. Some of them are said to have been connected with New York houses that passed out in the campaign of the district attorney on bucket-shops.

Now is the time to head off this invasion. A period of big mineral development is at hand. These itinerants are coming in to ride with the tide. By their methods they make the whole business of mining investment open to suspicion. The Ontario Government has promised legislation to provide safeguards. The hope is that it will close these mushroom brokerage houses.

MORMON CHURCH SETS AN EXAMPLE

THERE is another President Wood in Alberta besides Henry Wise Wood, leader of the U.F.A. His name is Edward J. Wood, and he is the head of the Mormons in the Alberta stake of the church. Edward J. Wood is more of an optimist than Henry Wise Wood, for at a recent conference of his people, attended by more than 1000 people, mostly farmers, he said this:

> "Of all the countries in the world this is the best for the man who has to earn his bread by the sweat of his brow. The conditions, the economic pressure around us, are largely the results of our own careless farming methods and loose business methods. My advice to you is to meet your creditors face to face. Be fair and honest with them. If you can't pay all, pay part and arrange for the balance. A man should always do his full duty to his fellowman. The Mormon church stands for the prompt payment of its debts. We hope its members will follow this example."

Western Canada, and Alberta in particular might very well follow this Mormon advice. Some of the mortgage companies have discontinued loaning in the West, and others have put on the brakes hard. Extraordinary methods may be necessary to temporarily bridge the present credit situation but in the long run it will be necessary to get back to a sound basis by paying debts and encouraging an influx of new money by giving capital a square deal.

EDITORIAL NOTES

IF BURGLARS and bank robbers had to pay income taxes that business would probably not be so prosperous.

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IF THE British people hoped by the election of a Labor government to dispose of labor troubles it would seem that there is a good deal of disappointment in store.

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SOME Canadian legislators are at last thinking the right way. Hon. H. H. Stevens, Vancouver, when asked recently to support some new enactment said he was impressed with the necessity for reducing laws rather than adding to them.

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THE Ontario Retail Hardware Association has gone on record as being strongly opposed to the present methods of operating stores by the Ontario Hydro Commission, "in direct opposition to regular and legitimate merchants, by escaping the payment of taxes, and we recommend that legislation be sought from the provincial government which will require such stores to pay taxes on the same basis as other retail stores."

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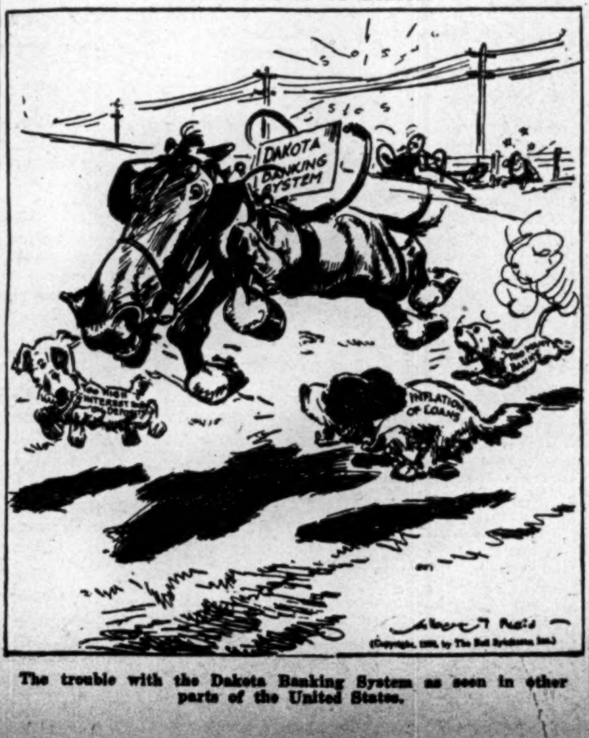
WITH the end in view of discouraging itinerant traders and temporary retail ventures disposing of bankrupt and surplus stocks at sacrifice figures, Ontario retailers are asking the Ontario Government to bring into force amendments to the Hawkers and Pedlars Act. They ask licenses for transient traders from $250 to $500 for large cities and $100 to $150 for villages and townships and for hawkers and pedlars $400 down to $50. Retailers who give a service all year round under varying conditions and contribute substantially to the public revenues in taxes are entitled to reasonable protection.

• • • •

THE BOK prize peace plan has been a fizzle according to the New York Herald, which points out that the time for the polling of the popular vote has been extended because the votes have not come in. The Herald says: "The propagandists have been unable to stir the public imagination or move the public finger to mark and send in the millions of ballots which were distributed throughout the country. . . The failure of the plan simply means that the American people are not interested in this effort to revive an issue which was buried under a mountain of votes nearly four years ago."

SCARED PLUMB TO DEATH



The trouble with the Dakota Banking System as seen in other parts of the United States.

"The Pork Barrel" Ottawa's Orgy of Extravagant Spending

How Plums Costing Millions Are Handed Out to Swing Elections—Votes Put Through in Supplementary Estimates in All But Empty House

By GRATTAN O'LEARY, in MacLean's Magazine.

Theodore Roosevelt, master of the vivid phrase, called patronage (the "Pork Barrel") a "cootie on the body politic." He did not overshoot the mark. For the "Pork Barrel," dispensed with equal rapacity by all parties and governments since Confederation, has been the worst penalty of our Canadian democracy. It has been the chief source of whatever corruption has degraded our public life during the past fifty years. It has sinned more than all other agencies combined against efficiency and honesty in politics. And it stands to-day as one of the chief reasons for the extravagance and waste that father taxation and debt.

How does the "Pork Barrel" operate?

Briefly, it is simply a system, or practice, by which parties in office use public moneys to bribe or debauch constituencies, to the end that they may continue in power. It is a system by which a government dispenses rich favors to constituencies and groups that are friendly—or subservient—and neglects or starves constituencies and groups that are hostile. It is a system that exalts the creed that "to the victors belong the spoil"—the spoils being public offices, or public moneys, or the public domain.

It is seen at its best, or worst, in the supplementary estimates—when the "faithful" are rewarded—or when a ministry becomes fearful of a by-election verdict.

Let me give an illustration. And just to impeach the accusation that these articles are but an attack upon the present Liberal ministry, let me take the illustration from a Conservative regime. In 1920 there was a by-election in Victoria, B. C. It was necessitated by the appointment of Dr. Tolmie as Minister of Agriculture in succession to Mr. Crerar, who had resigned. That by-election had not been in progress a day when the government announced that it would build a dry-dock in Victoria costing five millions of dollars.

A "High and Dry" Dock

There were ports in Canada in worse need of a dry-dock than Victoria. There was, for example, Vancouver. Vancouver boasted a tonnage four millions greater than the tonnage of Victoria. As against a dry-dock of 450 feet in length which Victoria already possessed, Vancouver had no dry-dock at all. And while Victoria was and is largely a port of call, Vancouver was and is a port of discharge—with dry-dock facilities vital. By every law of logic, shipping needs, efficiency and common-sense, Vancouver should have been favored; but it was not. As between making certain of the election of Dr. Tolmie, and the proper disposition of docking facilities on the Pacific coast, the government never hesitated. The consequence was that in due time Dr. Tolmie's post-dated cheque was honored—Victoria got its $5,000,000 dock. That is the "Pork Barrel."

Last year there was a by-election in North Essex. The King government's candidate was a very excellent gentleman known as Mr. "Tim" Healy. In the course of the contest it became evident that Mr. Healy was encountering rough going; and the government, hearing the news, was disturbed. Accordingly, and in due time, there appeared a poster, with this literary effort on Mr. Healy's behalf:

VOTE FOR HEALY
and get
$86,000 Gov. Docks
and Breakwater;
s $25,000 Waterworks
Free gift from James Cooper.
$75,000 Brick and Tile yard
to employ thirty hands the year round.
Vote for Robinson and get nothing
but hot air.
King needs Tim; so do you.
TIM AND KING—THAT'S THE THING.

That would be amusing—if the country didn't pay. Unfortunately, however, the country paid. The note matured toward the end of last session. The vote was brought down in the Supplementaries and jammed through the House almost at the eleventh hour, before prorogation; and thousands of dollars were added to our tax bills because—because "King needs Tim."

Halifax provides the most shocking evidence of the Pork Barrel at its worst. Go down to that city, go over its great terminal works, see where millions have been sunk in deserted and unused terminals—and you will see a pathetic monument to government patronage and waste. But let that pass. A few months ago there was a by-election in Halifax. It was a hard contest, and the government, its majority at zero, was desperate. Looking around for a lifebuoy, it discovered that Halifax needed another elevator. Now if there was one thing in the wide world that Halifax didn't need, that thing was a new elevator. It had more elevator space than it had ever used or was likely to use for several years to come. Out amidst the rest of its unused terminals stood an elevator, capable of handling twelve million bushels of grain—yet deserted. For three years scarcely a bushel of wheat had passed through it into the holds of ships.

No matter. The government would build a new elevator. It would cost $1,200,000; there would be rich contracts for somebody; there would be lots of work for the "boys." And so the ministerial press, and Mr. E. M. Macdonald, and the prime minister himself, spoke eloquently of the government's generous gift. The money was nothing; the contracts were ready to be let; all that was necessary was to—vote for the Liberal candidate.

Halifax—to its credit—was not bribed. It did not vote for the government candidate. And what happened? Well, the government lost all of its ardor for that Halifax elevator. Where a few weeks before it had the money and everything ready to go on with the work, and was about to let the contract for it, it suddenly discovered that the plans were all wrong, that they called for something it didn't have in mind, and that the tenders were too high.

And there will be no elevator built. Halifax not having come across with the votes, the Pork Barrel will not come across with an elevator.

From Halifax to Kent. At first it looked easy. Kent was almost traditionally Liberal, and it is three-fourths Acadian; the ministry was confident. Then things darkened. Stories came to Ottawa of a Maritime revolt; and so shock troops and the Pork Barrel were sent into action. For what subsequently happened, and as a delightful illustration of how ministers love to use public moneys to buy up a riding's votes, let me quote this despatch from the public press:

> "Santa Claus came to Richibucto this evening, bringing gifts for the people of Kent; some prospective, it is true, but all alluring. One of the number, Hon. Ernest Lapointe, Minister of Marine and Fisheries, brought his gift in his hand, something definite. He announced that commencing on the fifteenth of this month the fisheries' inspectors of this province would not have to report to the chief inspector at Halifax.
>
> "Another gift-bearer was the Hon. A. B. Copp, Secretary of State, and representative of New Brunswick in the King Government. He far outbid his colleague of the Fisheries Department, for he intimated that the return of the Liberal candidate, Alfred Bourgeois, would mean the extension of the Moncton-Buctouche branch line to Richibucto, a distance of some eighteen miles.
>
> The third gift-bearer was Hon. P. J. Veniot, Prime Minister of New Brunswick. Premier Veniot said that only recently a delegation from Richibucto had waited on the Provincial Government in the hope of having the provincial system take over the system which Richibucto and its neighbouring town has on the Kouchibougac river. Immediately he had issued orders that the engineers of the Hydro system make a survey and see if it was possible for the government to acquire the civic power system and link it up with the hydro system, and thereby give the people of Kent good service."

Your House of Commons

But how, it may be asked, do such votes get through parliament? What of the Opposition? What of those watchdogs of the treasury who murmur incantations about economy? Where are those alert Progressives who were to take us all from the boglands to the eternal summits of righteousness? For answer let me try to picture one of the dying days of the session. It is a hot sultry day in June. The end of the session is in sight; members who have orated about everything and anything for months sit like rows of exhausted volcanoes. Some, their indemnity cheques in their pockets, have already gone home; others are preparing to go. Only long rows of empty seats confront the government; even the press gallery is deserted. In a low monotone voice the committee chairman reads out item after item of supplementary estimates—thousands, tens of thousands, millions—the ministers and a few parrot supporters call "Carried! carried!" There is hardly a voice to object. Thousands for this, tens of thousands for that, millions for here, there and everywhere; and barely a word of discussion, not an attempt at intelligent scrutiny. Wharves for Nova Scotia, breakwaters for Quebec, public buildings for New Brunswick, other things to Ontario and the West, until millions upon millions are spent. It is the Pork Barrel at its deadliest and best.

Exaggerated, you say. Well, let us see. In 1921, when Mr. Meighen was prime minister, parliament prorogued on the fourth of June. On the 31st of May—four days before—supplementary estimates were brought down totalling $23,000,000. Nor was that all. Because parliament had frittered away its time in puerile, futile talk for months, the main estimates had not been considered, and, as a consequence, the House passed the following votes on June 1 within two or three hours:

Railways and Canals—chargeable to income—

Miscellaneous

Board of Railway Commissioners	$ 206,000
Loan to the Canadian National Railways	50,000,000
Loan to the Grand Trunk..	89,000,000
Loan to the Grand Trunk System	26,000,000
To provide salaries and expenses in connection with the arbitration of the railways	1,000,000

Here we have the colossal sum of nearly two hundred million dollars actually voted within two or three hours, and with practically no discussion. Nor was that all. On this same day—Wednesday, June 1—the following sums were also voted:

Canadian Government Railways and Canals, $7,000,000; Canals—staff and repairs, $2,270,000; Railways and Canals—to pay claims for right of way, $35,000; Miscellaneous railway equipment, $1,903,000; Hudson Bay Railway—Port Nelson terminals, $100,000.

Supplementary Estimates — Railways and Canals—chargeable to income, $20,500; To increase the amount of loan authorized by vote 478, $1,520,000.

Railways and Canals—chargeable to

(Continued on page 15)

The New Director of the C. N. R.

It may be a far cry from working as a boy on the C. P. R., when it was pushing through the Crow's Nest Pass, to a directorship on the Canadian National Railway, but when Duncan Joseph McDougald, the latest appointee to that board, looks back over the gap of twenty-nine years, perhaps he wonders just how much there is in pre-destination. At all events, there is doubtless something in early associations, and, if so, Mr. McDougald will apply the faculty in his new position.

Born in 1880 in Glengarry County, Ontario, young McDougald had little need to brave the mischances of the world alone, for his father was well-to-do, and he could, had he so wished, have stayed comfortably at home, and in time taken over the paternal acres. The boy was made of different stuff—or perchance one of those youthful misunderstandings occurred—at all events it was in his seventeenth year that he made his way across the continent and took his small part in forging the railway chain that binds the East to the West. Looking at the venture in a strictly "percentage of profits" manner, it was a one hundred per cent. success. McDougald left with fifty cents in his pocket, and returned with one dollar, or thereabouts.

Brains have ever been valued above dollars, and rightly so, though cash profits on the expedition were small, McDougald totaled into the balance a knowledge of the West. Acting on this wisdom, he later found occasion to place some of his savings in Western land, and has not had cause to regret his judgment.

The rough life in a railroad camp, however, does not seem to have impressed the young man with the possibilities of achieving fame as a traffic magnate, for he decided to settle in Toronto, where, as head of the firm of D. J. McDougald & Co., he specialized in handling government and municipal securities, and varied this business with political activity and with organizing the Knights of Columbus. Unconsciously he was fitting himself to fill the qualifications demanded of the man who was to succeed Mr. R. P. Gough.

As every one knows, appointments to the National Railway Board are made by Order-in-Council. It was required that the vacancy be filled by a man who was a citizen of Toronto, a Liberal and a Roman Catholic. Mr. McDougald has been a resident of Toronto for twenty-four years—a fact that appears to have been overlooked in some quarters. As first president of the Knights of Columbus, and as one of the original Grand Knights, his religious convictions are well known, while his political policies have ever been Liberal. When to these is added the faculty of sound conservative business judgment, it will be understood why he was chosen. Still, Mr McDougald was doubtless more surprised than anyone else when a long-distance call from Ottawa apprised him of the fact that he was to be called upon to help direct the affairs of Canada's government-owned railway.

Mr. McDougald's business connections comprise: Presidency of the Pine Lake Lumber Co., and of the Eastern and Western Land Corp., as well as a directorship of the Trusts and Guarantee Co. of Toronto. In addition to these, he occupies a unique position in relation to the gold mining industry by virtue of being one of the executors of the estate of the late John McMartin, one of the original syndicate that developed the Hollinger Mine. This estate, which probably approaches a value of eight million dollars—and will yet be larger—is an important one to handle, and places Mr. McDougald in close touch with mining development and many investment problems.

PERSONAL

THOS. FLYNN, who died in Toronto this week, was a veteran of the Canadian grain trade, having carried on business under the firm name of L. Coffee & Co., which house he joined as a boy and gradually worked up until he succeeded to the ownership. He was a heavy exporter of grains, particularly barley to the United States, and also bought most of the barley used by Toronto and Montreal breweries. He was for years connected with the Home Bank and was at one time vice-president. He resigned some time ago.

NORMAN B. STARK, who met a tragic death this week on the railroad track, while skiing at Sherbrooke, was well known in business and financial circles in Montreal and Toronto. He was in his forty-first year, was born in Toronto and a graduate of Toronto University. Some fourteen years ago he went to Montreal and became associated with financial houses, later founding the firm of N. B. Stark & Co. Later, he became Canadian manager of Grace & Co., the international shipping concern, and after leaving that connection was Montreal manager of N. A. Macdonald & Co., bond dealers. About eighteen months ago he left Montreal for the Eastern Townships, where he was assisting his partner, W. F. Trimble, in the management of the Waterville Veneer and Panel Company.

ARTHUR P. EARLE, who has just been appointed vice-president and general manager of the Travellers Life Assurance Company of Canada, began his insurance career nearly 28 years ago as junior in the home office of the North American Life Assurance Company of Toronto. After obtaining his actuarial degrees, Mr. Earle was appointed actuary of the Reliance Life, of Pittsburgh, Pa. His next appointment was actuary and assistant secretary-treasurer of the Columbian National Life of Boston. When the Travellers Life of Canada was organized in 1910, Mr. Earle was called to the position of actuary and secretary, and later becoming general manager and treasurer. Under Mr. Earle's capable administration the Travellers Life of Canada has forged ahead rapidly.

City of Victoria, B. C.
5½% Coupon Bonds
Dated 1st February, 1924. Due 1st February 1933-1943.
Principal and half-yearly interest (1st February and August) payable at the Bank of Montreal, in Montreal, Toronto, Winnipeg and Victoria.
Bonds may be registered as to principal.
Denomination: $1,000.
PRICE: Rate to Yield 5.63%-5.57% According to Maturity
Full particulars on request.
A. E. AMES & CO.
Established 1889. Investment Securities.
53 King St. West
MONTREAL VICTORIA TORONTO NEW YORK CHICAGO
Telephones: Toronto, Adelaide 8201; Montreal, Main 3050; Victoria, 105.

INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

BROMPTON

Sherbrooke.—I bought 20 Brompton at 41; is there a chance for a rise?

The prospects for Brompton seem to be favorable. The company's earnings warrant a dividend on the common stock and if this should be started at 4 per cent. as expected, the stock would likely sell at considerably higher. Of course, the dividend has not been definitely decided upon although in view of the company's improved position some action in this regard would seem to be inevitable.

CANADIAN CAR

W. W. F., Quebec.—Do you consider Canadian Car a good buy around 42 for the common?

Canadian Car & Foundry is a speculative buy around present levels. The company is in line for substantial orders during the present year and if railroad buying should continue over a term of years the company would be able to earn handsomely on its common stock. But the uncertainty of the company's business makes the stock speculative until time proves whether or not the ordinary equipment buying of Canadian railroads will be sufficient to keep its plants busy.

LIFE INSURANCE STOCKS

M.D., Guelph.—Would you kindly advise as to insurance in the Monarch Life or Great West. Which of the two is to be preferred, if either?

Both the Monarch Life Assurance Company and the Great West Life are well-established companies, and safe to insure witth. Both are licensed by the Dominion Department of Insurance, and meet its requirements with respect to reserve on outstanding policies.

They have paid substantial dividends on participating policies, and it is likely that these will be considerably increased in the future. The relative increase of those in the case of each company will depend largely on the future development and management.

GERMAN BONDS

Banker, Parry Sound.—Can you give us any information as to the value of German Government bonds? To-day there seems to be a demand from New York for the issue dated Jan. 1915, bearing 5 per cent. and due October, 1924. Customers of ours who purchased these at about $50 per million marks seem to be offered $500 a million. Can you advise as to the intrinsic value of these issues?

Information from New York is that the high sale of German Government 5 per cent. bonds during the last four weeks, was $450 per million. At present the bonds are quoted at $275 per million. We are unable to give you any information as to their real value. The interest in the bonds appears to be entirely speculative based on a possibility of part of the bonds being redeemed in gold marks. The bonds are, of course, a dangerous gamble.

RSC INVESTMENT-SERVICE
A Safe 6.65%
We offer the 6½% First (Closed) Mortgage Bonds of a Canadian corporation which, for eighteen years, has been manufacturing a product which is sold and recognized as a standard of efficiency and quality throughout the world.
The bonds are protected, as to principal and interest, by more than the usual safeguards.
Fixed assets valued at over twice the amount of bonds. Net earnings in excess of three times interest requirements. Sinking fund sufficient to redeem the entire issue by maturity. Price to yield 6.65% for twenty years.
Write for circular "J.V.," describing this highly desirable investment.
Royal Securities CORPORATION LIMITED
164 St. James Street MONTREAL
Toronto Halifax St. John Winnipeg Vancouver

AMES-HOLDEN BONDS

R. D. Toronto.—Would like information as to the prospects for the Ames-Holden-McCready bonds.

It is difficult to find a buyer for Ames-Holden bonds, but if one can be found at around 40 or 45, it might be well to sell. The prospects ahead of the company cannot be accurately determined; it may pull through and it may not. At the present time, business conditions in the shoe business are very unstable; Canada has a shoe-manufacturing capacity five times as great as the country's population warrants. Mortality among shoe merchants has been very high, with consequent serious losses to the manufacturers in bad debts.

The bonds are a gamble at best. The invester who sells them and buys a stronger security is taking a substantial loss, but he will at least be putting his money to work on better terms. It is doubtful if the equity behind the bonds is 42 cents on the dollar; certainly not that at a forced sale.

TORONTO CASUALTY PROGRESS

Subscriber, Belleville.—I have been asked to buy stock in the Toronto Casualty Fire & Marine Co., and would appreciate your advice through your columns as to what the probabilities are of an investment of this nature. How long should it be before an investor should expect reasonable returns? Shares are offered at $150, $50 of this represents a premium.

The Toronto Casualty Fire & Marine Insurance Company was organized with head office in Toronto in 1921. Since that time it has had a steady growth. In 1922 the premium income was $131,194, and in 1923 it was increased to $401,077. The company appears to be well managed and the business is expanding on a sound basis.

As fire and casualty insurance companies are not required to build up the heavy reserve, as in the case of life insurance companies, dividends are usually paid much sooner on their stock. We understand the Toronto Casualty paid a stock dividend in 1922. A further dividend should not be delayed long.

COMPANIES ARE GROWING

Business Man, Edmonton.—Do you think the chances for appreciation in value of Monarch Life shares during next four or five years are fairly good? Would Sovereign Life be better? They seem to have a better range of securities but not so much business.

Since its organization, in 1904, the Monarch Life Insurance Co. has had a steady growth. The company's affairs are managed along sound lines and its condition appears satisfactory both as to surplus and to earnings With the further development of the insurance business in Canada, the position of this company will no doub improve steadily. This will, of course be reflected in increasing prices for the stock.

The Sovereign Life Assurance Company was organized in 1903. Its growth has not been as rapid as the Monarch Life, but its affairs appear to be in a sound condition. At the close of 1922, the company had assets of $2,474,693, and a surplus of $135,154. Under sound management, the company should improve in the future. The relative increase in the value of the stock will depend largely on the future growth and management.

L. R. STEEL PROTECTIVE TRUST

Reader, Soo, Ont.—I want a little information in regard L. R. Steel Protection Trust. I am a working man of limited means; every dollar counts. I invested $2,500 in L. R. Steel and would like to save what I could if you think it advisable for me to do so by subscribing to the Protection Trust. Are the men at the head of the trust reliable?

We have had numerous enquiries in regard to L. R. Steel Protective Trust. Recently we published a complete analysis of the whole situation. Since then there have been but a couple of changes. The Syracuse store was sold for around $150,000. This will go to meet the creditors' demands while the Protective Trust have paid off 10 per cent. of the creditors' claims and may make another payment shortly. We would emphasize one point. This proposition is to be regarded as a new one. Your old holdings are wiped out. You are asked to put $250 into a new Steel enterprise, a going concern, that will require efficient and careful management and working capital to make it a success. The men at the head of the trust are shareholders chosen by the shareholders. These will be the men responsible for the conduct of the enterprise when it is taken over.

EASTERN ENGINEERING

W. A. D., Ontario.—Would you please let me know what you think of Eastern Engineering sold on the unlisted market in Montreal? Do you think their engine will ever amount to anything?

The Eastern Engineering Company is still very much of a speculation and it is impossible for us to express an adequate opinion of its possibilitie, because there is so little definite information upon which to base a conclusion. It is felt by those closely connected with the corporation that the company owns a very valuable patent in the rights to the Attendu engine. This is a matter upon which a person outside of the company cannot express a definite opinion. The patent rights for the United Kingdom have been sold and negotiations are now on to sell the patent rights to a large firm in the United States for the manufacture of the engine in that country. The company will not actually manufacture itself, but will sell patent rights in various countries on the basis of a cash consideration and royalty on each engine manufactured.

Under these circumstances the possibilities of a good profit for the shareholders are substantial, but at the same time there is a very decided element of risk and any investment in the stock must be approached entirely as a speculation.

BRITISH EMPIRE STEEL

F.J.B., British Columbia.—I would like your opinion on British Empire Steel first preference shares yielding about 12% at present prices. When are dividends payable?

That there are excellent speculative possibilities in the first preference shares of the British Empire Steel Corp. is evident. Some day someone will build up a stable and important steel industry in Nova Scotia, and it may be the British Empire Steel Corp., as at present constituted, that will do it. But the difficulties that are ahead of the corporation are tremendous. It has never been able to get stability of labor conditions, and, as a result, the cost of coal production and thus the cost of steel production has been greatly increased above what might be considered normal. However, to put the plants of the corporation in condition to compete on an even basis with the steel plants of other countries in the export markets of the world the expenditure of anything up to $18,000,000 will be necessary. This means a great deal of financing, and hence, the issuance of senior securities ahead of the preferred shares.

At the present low price, both the first and second preferred shares are attractive speculations. Dividends on the first preference shares are payable the 1st February, 1st May, 1st August, and 1st November. No dividends are being paid on either of the second preference or the common.

The directors of the Corporation are as follows: Hon. C. P. Beaubien, Right Hon. Vis. Furness, Sir Thevor Dawson, Maj.-Gen. Sir N. J. Moore, Lord Invernairn, H. McInnis, K. C.; D. H. McDougall, Dr. W. L. McDougall, Frank Ross, H. B. Smith, J. F. M. Stewart, Gallen L. Stone, Benjamin Talbot, J.P.; R. M. Wolvin, George S. Campbell, Sen. J. P. B. Cosgrain, Geo. F. Downs.

UNION BANK

Subscriber, Leamington.—Would like your opinion on Union Bank stock. I hold twenty-four shares. Would it be wise to sell them now or wait a little?

As regards Union Bank the answer, we believe, lies largely in the development of Western Canada. Those who have faith in the return of prosperity in that country should be able to hold this stock with considerable confidence. If, however, the depression should continue in Western Canada the bank's earnings will no doubt continue to reflect conditions, and the price of the stock reacts to the prospects for profits.

From the speculative standpoint there is the argument that it is no time to sell stocks when they are low. This, of course, is difficult advice to follow when you do not know if they will go lower. However, in the case of Union Bank, the low of last year was 104½, and since then there has been a slight recovery. Looking back over previous years it is not hard to see the effect of the post-war deflation on agricultural conditions on the value of this stock.

There is no doubt that the reorganization of the bank's finances was courageously carried out, and an adjustment made which met conditions as they existed. But the other problem was still left, and that is to go ahead and make money—a problem which, as we have said, depends very largely on conditions in the West.

The directors of the bank are: Sir W. Price, honorary president; W. R. Allan, president; Stephen Haas, vice-president; G. H. Thomson, vice-president; M. Bull, John Galt, William Shaw, E. L. Drewry, F. E. Kenaston, B. B. Cronyn, J. S. Hough, K.C.; Hume Blake, K.C.; R. O. McCulloch, A. Hitchcock, W. H. Malkin. G. H. Balfour, S. E. Elkin, G. M. Black, H. A. Robson, K.C.; J. B. Waddell.

CANADA STEAMSHIPS

A. M., Toronto.—I hold a number of shares of preference stock in Canada Steamship Lines on which I have not received a dividend since January, 1922, and desire to ask the following questions regarding the possibilities of this stock, as this investment represents the greater part of my savings, I have grown very anxious about these shares owing to their greatly lessened value and the non-payment of dividends. Was January 1, 1922, the last date on which a dividend was paid on preference stock? Is there reason to think they contemplate soon paying a dividend on this preference stock, that is to pay the cumulative dividend to date? As this unpaid dividend now covers two full years, and there is a stipulation on the back of the certificate (Clause (c) of by-law 67) that if the pref. shares are in arrears in payment of dividends to the extent of two full annual dividends of 7% each, the holders of preference shares shall have in addition to their right to select two directors as aforesaid, voting rights in all respects similar to those of the holders of ordinary shares. What is this extra voting right, or would it have any effect in securing payment of these arrears of dividend, should the company decide to go on ignoring preference shareholders and their rights? That is provided preference shareholders united to make such a claim? What is the probable future for holders of preference stock, as to the possibility of ever realizing what they paid for their stock? I paid 86 and a fraction. Has the company the privilege of floating new issues of bonds which would have a prior right over the preference shareholders, standing the latter off indefinitely? If one should be able to hold them for three or four years longer, do you think they will be a strong stock once more?

We do not feel that there is a possibility of an early resumption of dividends on the preferred shares of Canada Steamship Lines. The company has not been having particularly satisfactory earnings, and during the past year have had to write off large sums on account of the losses on the sale of ocean vessels which it purchased some time ago. There have been recent changes in the organization that seem to indicate a lack of efficient executive direction.

Canada Steamship Lines needs more than anything else strong control from a resident board of management, and, given this, it should be able to earn very satisfactory profits, for no one denies that it has one of the most valuable franchises in steamship circles, a number of excellent boats, and other properties and earning powers that are remarkable. Perhaps the best thing for Steamships preferred shareholders to do is to hold on to this stock and hope for improvement.

Your letter seems to indicate the fear in your mind that the company is deliberately making an attempt to overlook the rights of the preference shareholders. While in the past there has not always been the proper consideration given to investors in Canada Steamship securities we do not think that there need be any thought in your mind that dividends that are being earned on the preferred stock are being held back from the preferred stock shareholders. The fact of the matter is, the company is not earning enough money to make payment of preferred dividends at the present time advisable.

Mr. Beatty's Hobby-Boys

By F. S. C.

The Premier of Ontario cast a little sidelight on the hobby of one of Canada's busiest men when he said something about E. W. Beatty, president of the Canadian Pacific Railway, to a Toronto gathering the other day. The premier told of a visit he had made to the Shawbridge Boys' Farm and Training School in Quebec, which he characterized as "largely the creature of Mr. Beatty's interest in boys, and his generosity." And he paid this compliment to Mr. Beatty and the other Shawbridge workers: "Ontario intends to establish its industrial schools on the same basis as he has adopted at Shawbridge."

And so is revealed the hobby of the president of the C. P. R., who would seem to be too busy and active to have a hobby at all; who spends most of his time when he is not running the C. P. R. in writing addresses that will inspire Canadians, and who never lets up even when the doctor makes him stay indoors, but even then keeps a staff busy taking down letters and running messages. Mr. Beatty's hobby is—Boys.

THE BEATTY "TILT"

President E. W. Beatty of the Canadian Pacific and One of "His Boys" at Shawbridge.

What the School Does

Shawbridge Farm was in operation successfully before Mr. Beatty took over the presidency, but it is safe to say that it is more widely known and has more business men back of it now than it ever had before he became interested in its affairs. The farm was opened about 1908 with the idea of training delinquent boys to be good citizens. Prior to that time, "bad boys" were sent to Sherbrooke jail, changed into red jackets and treated like criminals. Then a group of business men in Montreal got together, bought a farm in the beautiful Laurentian Mountains and established a farm for the boys who might fall in to the toils of the law.

Now all Protestant and Jewish boys sentenced by the juvenile court go to this farm. Many lads who get beyond the control of their parents are voluntarily sent there. They are given training rather than punishment. All go to school; some of them study farming, others learn such trades as banking, laundry work, carpentry. There is a band from among the boys that has traveled widely. It is a fine out-of-doors life, with plenty of work and plenty of play, excellent food, the most attractive possible surroundings, and with it all a manly leadership that combines a religous tone with a vigorout incentive to boyish enthusiasm.

There is no need to moralize on the difference between this kind of boys' training and the kind given at the old-time reformatories or even the jails to which boys once were sent for punishment.

Mr. Beatty An Active Worker

Mr. Beatty is president of the farm. And his presidency is no mere honorary title. He attends all the meetings of the directorate. He has personally conducted such men as Premier G. Howard Ferguson and Provincial Secretary Lincoln Goldie, of Ontario, and also Lord Byng, the governor-general, around the farm. He has arranged for the products of the farm to be served in Canadian Pacific Railway dining cars. He has backed up the financial campaigns and induced many of the leading business men and financial men of Montreal to go on the board of directors to help run the farm.

Throughout the school's history, the plan of combining private and public aid has ever been followed and has been successful. The farm is run by a committee of Montreal business men, working with the Montreal Boys' Home, and with an excellent and broad-minded secretary-treasurer, Owen Dawson, to take charge of the financial direction. A per diem grant is received from the provincial government, but about $30,000 a year, approximately a third of the annual cost of maintenance, is raised from private sources. There is no desire to put the whole work on the provincial government. The value of private direction and of having the direct interest of such men as Mr. Beatty and such directors as Norman Mather, of the National City Company; J. W. McConnell, C. E. Neill, J. H. Birks, Murray Williams and several others is realized.

Most of Boys Make Good

Best of all there is a record of results. The boys, when they leave the farm, invigorated physically and refreshened mentally and morally, are found good positions and their future careers are watched. It has been found that more than three-fourths of them make good. There are now about 160 boys at the farm. This means that of these 160 boys, about 125 will grow into successful Canadian citizens. Under the old systems, every one of them may have gone further down the broad pathway. The other boys may require more care and attention to get them started right, but the difference in their future careers can easily be imagined.

The other day, Mr. Beatty delivered an address around the central theme of "Each for himself." He deplored the present tendency of not doing things ourselves but of asking the government or someone else to do it. When it comes to a question of making a splendid citizenry out of boys that have gotten off on the wrong foot, the president of the Shawbridge farm can hardly be accused of letting someone else do it. He is taking his own advice and doing it himself.

CURRENT OPINION

A U. S. VIEW OF BECK

Passaic (N.J.) News

A successful business man who is now acting as a city manager was asked, the other day, what the chances are of getting dollar for dollar in public service as compared with private service. His answer is worth thinking about.

"Up to date," he said, "the plain truth is the public does not get as much for its money as private business. That is true not merely of this country. In Ontario they have Sir Adam Beck, an able business man and notable public figure, who is devoted to the development of great hydro-electric projects. When he built the Chippawa canal he had the best experts to be obtained. But somehow the unit cost was greater than in private business. It is nearly always that way.

"Why? When men work for the government, they know it, and somehow they will not tolerate pushing and crowding.

"There seems to be a creeping paralysis which overtakes men in public employment. There is an idea that government belongs to whoever can get it, an idea that city government particularly is a sort of private venture on the part of officeholders. This goes from the top all the way down the line. Men come to think they have a right to their jobs, and can do as they please. That is hard to change."

A TWELVE-MONTH INDUSTRY

(Regina Leader)

The director of marketing for the state of Minnesota, addressing the convention of Saskatchewan Agricultural Societies at Saskatoon recently, was emphatic in his recommendation of dairying as a money maker for the farmers of this province. The points which he stressed were these: Saskatchewan butter can be laid down in eastern markets at a transportation cost not exceeding from five to seven per cent. of its value, as compared with 100 per cent. on hay, 50 to 80 per cent. on potatoes, and 20 or more per cent. on livestock, grain, eggs and poultry. The dairy herd is a day in and day out, year in and year out producer. A tremendous increase in the consumption of dairy products will have to take place before the same distribution level is reached which was long ago reached in wheat and potatoes.

The general advice which Mr. Hughes gave the farmers was to produce those things which the world needs and which can be marketed without undue expense. The comparatively low transportation charges on butter enables it to be marketed without undue expense, while the margin between production and actual and potential demand is still so considerable that for a long time to come there will be a market for all the butter this province can produce. The third point mentioned in favor of dairying is equally important. A farmer who is producing three hundred and sixty-five days in the year stands a better chance of making a financial success of farming than one who produces only six months in the year. The dairying industry is a twelve-months' industry, which pays twelve months' dividends. Agriculture is not now in so flourishing a condition that the average farmer can get along on six months' profits.

Discovery of low temperature carbonization process whereby poor grades of coal can be converted into high grade coke promises to make Illinois the greatest fuel producing state, according to Professor Parr, of University of Illinois.

Twelfth Year of Publication
The Greenshields Review
New Edition — just published—contains a careful analysis of the current business situation and a forecast of the trend for 1924 that should interest business men and investors.
A copy will be sent upon application.
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For February Funds

In view of the fact that there is no more large financing contemplated in the near future, it is almost certain that there will be a marked scarcity of high-grade Government and Municipal bonds, and we would advise that you take advantage of the attractive investment opportunities which are now available.

To those anticipating funds in the near future, we would suggest that our new February Bond List contains a wide range of bonds worthy of your immediate attention.

We would be pleased to forward a copy upon request.

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A purchase of 5 Telephone "rights," at $4.25 to $4.50 per "right," gives the privilege of purchasing Bell Telephone stock on the following terms of payment.

1st April 1, 1924......$25 per share
2nd July 2, 1924..... 25 per share
3rd Oct. 1, 1924 ...... 25 per share
4th, Jan. 2, 1925.....22.75 per share

6% interest allowed on first three installments, and is deducted from Jan. 2nd payment of $25.

Example:
5 "rights" cost, say...........$22.50
4 payments, as above.......... 97.75
Cost, 1 share Bell Tel........$120.25

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NEWS AND VIEWS ABOUT BONDS

SMALL DECLINES IN BOND PRICES; LITTLE ACTIVITY

Some Companies Still Paying For Former Commitments

Bond prices have shown a slight weakness during the past week. This is the result largely of the continued contraction of activity from the brisk market in January. The larger institutions have been engaged in paying for commitments on blocks of bonds purchased during the heavy flotations of recent months. This, with the new price levels, has kept them from buying except in small amounts. Dealers hesitate to take on further heavy commitments, so that prices of Ontario and some other bonds sagged. The movements of Victory Loans have been mixed with no marked changes. The present inactivity is not unusual, as the same tendency has been noticeable in former years.

Canadian and other bonds in New York receded owing to the turn of interest to the $150,000,000 Japanese loan. The latter was steadily absorbed and it was bid up above the issue price.

Brussels Sells Issue

No large issues were sold in the Canadian market and few municipal issues were offered. The village of Brussels sold $21,000 of Hydro 5 per cent. 20-year bonds at par.

Huntsville Rejects Tenders

The town of Huntsville called for tenders on $35,500 of 5½ per cent. 20-instalment bonds. Several tenders were received but the bonds were not awarded, as the council felt that it should secure par. No bids were that high, but some were over 99.

Oshawa to Incorporate as a City on March 8

The Ontario Railway and Municipal Board has granted the application of the town of Oshawa for incorporation as a city. The actual birth of the city will take place on March 8 at noon.

It has been decided that the nominations for the first city council shall be held on Saturday, March 15, polling on Saturday, March 22, and the first meeting of the city council for swearing in and for organization purposes is to be held at 11 o'clock on the morning of Tuesday, March 25.

Town of Melville Pays Its 1922 Bond Coupons

Information from the local government board of Soskatchewan indicates that all town of Melville bond coupons maturing during 1922 will be paid in full upon presentation. No arrangement has yet been made as to payment due on Melville debenture coupons maturing in 1920, 1921, 1923 and the current year.

There are still a number of individual holders who have not yet presented their coupons.

Seek Payment of C.N.R. Bonds at Vancouver

Bond men in Vancouver are dissatisfied with allotments given them in the sale of some large bond issues in recent months. At a meeting held a few days ago it was claimed British Columbia, with a population of one-fourteenth of the Dominion, was alloted only one per cent. of the $50,000,000 Canadian National Railway issue.

It was also decided to protest to the Government at Ottawa against the practice of making these issues payable in British Columbia at Victoria and not at Vancouver. The reason for this is that the Government maintains an assistant receiver-general at Victoria but there is no such official at Vancouver. It is claimed that it costs bond dealers and investors of Vancouver and vicinity thousands of dollars a year because of the fact that all their bonds must be handled through the Victoria office.

Following the C. N. R. issue, the province of Alberta sold an issue through a Toronto syndicate. The principal and interest was not made payable at Vancouver but the demand of dealers there was acceded to and a change put through making provision for this.

Abolis Nuisance Taxes Mellon's Plan for States

The Mellon tax reduction proposals in the United States are of wide interest. There are signs that a similar movement will take hold in Canada. It has been estimated that out of every $8 income in the U. S. the recipient pays out $1 in taxes. Most of it is paid in the excess cost of living, a form of taxation that cannot be passed along. Mellon proposes to eliminate many of the nuisance taxes. Three taxes collected in 1923 and their amount that he would drop are:

	1923 Tax
Telegraph, phone, radio	29,075,000
Leased wire or talking circuits	1,190,000
Theatre, etc.	70,148,000
Total	$100,413,000

The above are collectable in such small amounts that they are called "nuisance taxes."

The proposed reduction would make the following changes in incomes:

Income	Present Tax	Proposed Tax
$1,200	$ 8	$ 4.50
$2,000	$ 40	$22.50
$3,000	$ 80	$45.00
$3,600	$104	$58.50
$4,000	$120	$67.50
$5,000	$160	$90.00

Drawings of French Bonds

Only those issues that have been sold Canada are included.

CREDIT NATIONALE
500 francs bonds 5% issue of 1920
Drawing of January 2, 1924

No. 5,734,075 repayable at 1,000,000 francs.

No. 2,258,191 repayable at 500,000 francs.

Nos. 2,327,410 and 7,426,124 are repayable each at 200,000 francs.

Nos. 1,327,402; 5,667,638 and 7,814,758 are each repayable at 100,000 francs.

Nos. 1,287,876; 1,503,519; 1,953,740; 2,004,375; 5,161,300 and 7,153,698 are each repayable at 50,000 francs.

With the exception of the foregoing bonds each of the following bonds is drawn for redemption at 500 francs:

1,287,801—900	2,714,801—900
1,327,401—500	5,667,601—700
1,503,501—600	5,734,001—100
1,953,701—800	7,153,601—700
2,004,301—400	7,426,101—200
2,258,101—200	7,520,007—100
2,327,401—500	7,814,701—900

HALIFAX AFFAIRS IN MUDDLE; AUDIT IS NOW COMPLETE

Unpaid Taxes Now Total $1,661,578; Extend Over 15 Years

The report presented to the Halifax council by Price, Waterhouse and Company, after an audit of the city's books, reveals a situation which will entail severe losses. The affairs of several branches of the administration show gross incompetence and even dishonesty on the part of some officials.

Developments last year made it appear advisable to secure an independent audit of the books. After six months' work, this has been completed, and the full report presented According to the report, defalcations by the former city collector, as far as has been possible to ascertain, amount to approximately $83,000.

Due to the condition of the books and records it is impossible to determine whether further sums are involved. The outstanding and uncollected taxes up to April 30, 1923 amount to $1,661,578, representing accumulations covering a period of 15 years.

The auditors have found a complete absence of business methods in the conduct of the affairs of the city They have found, due to a lack of proper records, of looseness in handling city business and city money, of an almost total disregard for the very fundamentals of business organization, that the task set them has been impossible of thorough fulfilment.

A summary of the report, in suggesting action to set the affairs in order, says in part:

"The greater part of the civic mess is the result of laxity on the part of the city auditor; the most pressing need is that of a competent city auditor, a man who is capable and energetic; a complete re-organization of the accounting system in the various civic departments is an absolute necessity; the whole system of handling the fortnightly payrolls of the board of works must be changed; if the best interests of the city are to be considered all civic accounts must be kept on 'revenue' basis; tax rolls are found to be in a deplorable condition; practically no effort has been made to collect arrears in water rates; immediate steps must be taken to collect overdue assessments."

A sequel to the revelations now made may be found in the discovery some months ago, that an over-issue of bonds had occurred under one by-law.

Drastic steps will be necessary, not only to protect the interests of the taxpayers and citizens, but also to ensure a market for the city's future bond issues.

Shawinigan Sold More Bonds During Past Year

From Our Own Correspondent.

MONTREAL. — That Shawinigan Water and Power Company sold $1,551,000 of 6 per cent. first mortgage bonds, due 1950, during the past year, is revealed by the annual statement now issued. In the previous year the company had disposed of $1,771,500 of similar bonds.

EXPORTS OF GOLD

Canada exported gold during January last to the value of $2,471,920, an enormous increase over the preceding month and over January, 1923. The figures for these months were: December, 1923, $1,881,450; January, 1923, $395,788. These figures include the value of all gold bullion, obtained directly from mining operations; nuggets, dust and gold-bearing quartz. The whole quantity went last month to the United States.

FIND IRREGULARITIES IN MUNICIPAL FUNDS

Orgy of Stealing in Maritime Cities; Some Officials Serve Prison Terms

From Our Own Correspondent.

ST. JOHN.—One of the reasons for the migration of maritime provinces residents to the United States and to the Canadian West, is taxation. An instance of this is afforded by the principle of taxation in St. John where all incomes of three hundred dollars yearly and over are taxable as a city income tax, in addition to a poll tax and city and county taxes. Taxation on real estate has reached such a stage that rents have been again increased this year. The very small increase in population in St. John covering the past ten years, is attributed largely to over-taxation plus the high rents. To offset the over-taxation, only a minor percentage of the city's streets have been paved, there are no convenience stations, no municipal gymnasiums and swimming pools, poor sidewalks. Owing to the high taxation, some of the city's industries have been forced to move outside the city limits.

There seems to have been an orgy of stealing in several maritime municipalities. The disclosures at Halifax reveal the misappropriation of city funds and an audit at Sydney revealed startling discrepancies. Much the same condition was found at St. John when two officials were detected in thefts, one serving a year in prison later.

Severe criticism has been levelled at a recent increase in salaries given to all city employees at St. John, instead of a decrease as was expected. As in other parts of the country, the taxpayers are beginning to demand that the long promised economies will be effected.

UNLISTED BONDS
(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	..	96¾
Alabama 5% 1962	68¾	69¾
Algoma Steel 5% 1962	..	36
Ames Holden 6% 1947	42¾	..
Belding 5% 1936	86	..
Brandram-Henderson 6% 1939	89	..
Belgo Can. Paper 6% 1943	..	..
Brompton 8% 1941	108	110
Brompton 6% 1939	..	99
Burns, P. & Co. 6½% 1943	97¾	99¾
Bay Sulphite 6½% 1943	..	..
Calgary Brewing 5% 1942	76	79
Can. Steamship Lines 7% 1942	..	..
Can. Light & Power 5% 1949	73¾	75¾
Consumers Glass 6% 1935	85	87¾
Can. Nor. Rly. Income 5% 1930	52	53
Can. Steel Foundries 6% 1936	97¾	..
Can. Car. (Scrip) 6% 1927	..	..
Dom. Iron 5% 1939	70	..
Davies, WM. 6% 1942	..	85
Dom. Power 5% 1932	91	..
Dom. Textile 6% 1949	102¾	..
East Koot. Power 7% 1942	97¾	..
Fraser Co. 8% 1941	..	..
Frontenac Brewery 6% 1951	..	84
G.T.P. 4% 1955	72¾	..
G.T.P. Sup. 4% 1955	73¾	..
Holt, Renfrew 6½% 1937	..	96
H. Smith Paper 7% 1941	97¾	98
H. Smith Paper 6% 1934	98¾	..
Lake Sup. Paper 6% 1941	103	..
Laurentide Pow. 5% 1946	96	..
Laurentide Pow. 6% 1936	95¾	98
Maple Leaf Milling 6½% 1943	99¾	101
Maisonneuve 5% 1954	..	..
Man. Power 7% 1941	100	101
Mattagami 6% 1937	60	..
Mattagami Deb. 7% 1949	..	35
Montreal Tram. 6½% 1924	..	..
Montreal Pub. Ser. 5% 1942	..	..
Montreal Pub. Ser. 6½% 1924	99¾	100¾
Montreal Steel Works 6% 1940	99	..
Montreal W. & P. 4½% 1932	89	..
Montreal W. & P. 5% 1932	..	..
Nor. Ont. Power 6% 1931	91¾	92¾
N.S. Steel 6% Deb.	..	75
Ottawa Gas 6% 1939	100	..
Ottawa Gas 5% 1934	..	99
Ontario Pulp 6% 1931	103	..
Price Bros. 6% 1943	99¾	100¾
Paton Mfg. Co. 6% 1953	92	..
Provincial Paper 6% 1940	99¾	100
Porto Rico Rly 5% 1962	..	..
Quebec Power 6% 1953	94¾	..
Quebec Jacques 5% 1931	82¾	90
Shaw. Cotton 6% 1949	75	81
Shawinigan 5% 1934	102	..
Shawinigan 5½% 1950	102	..
Shawinigan 6% 1950	103¾	..
South Canada Power 6% 1948	100	..
Spanish River 8% 1941	..	..
St. Maurice Power 6½% 1953	104¾	106
Toronto Power 5% 1924	99¾	100
Wabasso Cotton 7% 1947	97¾	..
Windsor Hotel 6½% 1943	100¾	101
West Koot. Power 6% 1940	99¾	..
West Power 5% 1949	86¾	87¾
West. Power 7% 1926	96	..
West Quebec Pow. 6½% 1931	..	90
Winn. Elec. 6% 1943	91¾	..
Chicoutimi Pulp 6% 1943	..	71¾
Montreal L. H. & Pr. 5% 1933	96	..

TORONTO CURB QUOTATIONS

	Bid	Asked
Acadia Sugar 7% 1930	$81.00	....
Ashdown Hardware 5% 1928	94.00	96.00
Black Lake Asbestos 1943	14.00	19.00
Calgary Power 5% 1940	74.50	....
Canada Machinery 6% 1940	70.00	75.00
Canada Paperboard 7% 1941	90.00	94.00
Canada Salt 7% 1941	100.00	102.00
Canada Salt 6's, 1934	97.50	....
Can. Starch 6% 1930	87.00	90.00
Canada Tungsten Lamp 7% 1935	98.00	....
Dominion Sewer Pipe 5% 1927	97.00	....
Donnaconna Paper 6% 1940	99.50	....
Drummond Investment 6½% 1938	....	96.00
Dunlop Tire 6% 1927	99.50	....
Dominion Iron 5% 1939	71.25	72.25
Eastern Car 6% 1952	....	90.00
Flax Spinners 7% 1935	89.00	....
Gordon Ironside & Fare 6%	15.00	22.00
Harris Abattoir 6% 1926	99.50	....
Int. Milling 6% 1930	96.50	....
K. & S. Tire 7% 1935	80.00	83.00
Loew's Toronto 6% 1932	92.00	94.50
Loew's Toronto 8% 1926	95.00	97.00
Mercury Mills 6½% 1942	95.00	....
Neilson, Wm., 6% 1933	99.00	....
Pedlar Peoples 8% 1930	100.00	103.00
Robt. Simpson 5% 1952	86.50	....
Spanish River 6% 1931 (X.R.)	98.00	....
Stewart Terminal 6½% 1926	....	98.50
Toronto Paper 6% 1942	96.00	....
Whalen Pulp 7% Deb.	....	20.00
Whalen Pulp 6% 1930	....	63.00

BOND MOVEMENTS OF THE WEEK

Week Ending February 19.

Bonds	Int. Rate	Due Year	Yield	Range High	1923 Low	Range High	1924 Low	Latest Ask	Price Bid	High	Low
Asbestos	5	1942	6.98	90	79	83½	79	79¼	—	79¼	—
Bell Telephone	5	1925	5.00	101	97¾	100½	99¼	—	99	100½	99¾
Canada Bread	6	1941	5.90	100	96	101	99	101	100½	101	—
Canada Cement	6	1929	5.50	103½	100	103½	100½	100½	—	102¼	100½
Can. Car	6	1939	6.00	101	95	100½	99	—	99	100	—
Can. Locomotive	6	1951	6.05	99	96	99	99	—	97½	99	—
Dominion Canners	6	1940	6.25	98⅝	95¾	97¼	97¼	97¼	—	97¼	—
Dom. Iron	5	1929	7.50	94	84⅝	88	85	88	87	88	—
N. S. Steel	5	1959	6.12	92	84⅝	84½	83¼	—	82¾	83¾	83¼
Quebec Railway	5	1939	6.85	83½	68	83	80	82	—	82	80½
Steel of Can.	6	1940	5.85	102½	99	102	100½	101½	101	101½	100½
Wayagamack	6	1951	7.80	86¾	75	80¾	79	80	—	79½	79
Winnipeg Elec.	5	1927	5.15	100	93½	99½	99½	—	99½	99½	—
War Loan	5	1925	4.60	100.95	99.10	101.10	100.15	101.05	100.95	101.10	100.75
Do.	5	1931	4.85	101.80	99.80	101.90	100.15	101.25	101.15	101.90	101.00
Do.	5	1937	4.67	103.30	102.00	103.30	102.50	103.00	102.90	103.00	102.60
Victory	5½	1924	4.75	101.65	99.80	100.90	100.20	101.00	100.90	100.90	100.80
Do.	5½	1927	4.70	105.50	101.60	103.13	102.15	103.15	103.00	103.13	102.80
Do.	5½	1933	4.83	106.70	104.15	106.65	104.95	105.20	105.10	105.30	104.95
Do.	5½	1934	5.15	103.90	101.30	103.30	102.20	102.70	102.60	102.90	102.50
Do.	5½	1937	4.85	108.45	106.25	108.17	107.50	107.70	107.60	107.82	107.50
Do, Renewal	5½	1927	5.00	102.80	100.75	101.80	101.00	101.90	101.70	101.80	—
Do.	5½	1932	5.15	103.15	100.80	102.50	101.35	102.50	102.35	102.50	102.20
Do., Refund	5	1928	4.96	99.70	98.80	100.50	99.40	100.15	100.00	100.25	100.00
Do., Refund	5	1943	5.02	99.25	97.90	100.30	99.60	99.95	99.85	100.15	99.95

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Hon. J. M. Wilson

THE BRITISH COLUMBIA PERMANENT LOAN COMPANY

26th Annual Meeting of Shareholders.

The 26th Annual Meeting of the Shareholders of The British Columbia Permanent Loan Company was held in the Head Office, 330 Pender Street West, Vancouver, on Wednesday, February 13th, with Mr. W. H. Malkin, Vice-President, in the Chair, and a representative gathering of Shareholders present.

The Reports presented by the Treasurer, Mr. James Low, gave ample evidence that this well and favorably known local Institution continues to operate along safe and conservative lines.

Total Earnings for the year amounted to $197,950.00, and Net Profits, after providing for all interest charges, expenses and taxes, $74,505.00. To this was added $10,166.00 brought forward from 1922.

The Directors declared two semi-annual dividends at the rate of 6% per annum and a 2% bonus, making a distribution of $8.00 per share. $9,284.72 was carried forward to 1924.

It was further pointed out by Mr. Malkin that during the twenty-six years of operation, the Company had made an average return to Shareholders of 7.22% per annum.

The Reserve Fund stands at $800,000.00, being 85% of the Paid-up Capital.

Mortgages and Agreements, originally $2,614,416.00, have, by periodical repayments of principal ($925,153.00), been reduced to $1,718,252.00, and the Company's equity is now only approximately one-third of the marketable value. New mortgage investments totalling $363,000.00, chiefly on medium priced homes, were made during the year, while the amount of principal repaid by borrowers was $336,171.00.

The Chairman drew attention to the fact that principal and interest repayments combined, on mortgages alone, $471,065.00, were more than two and one-half times the total amount on deposit, that Government and Municipal Bonds, $445,399.00, and Cash, $109,940.00—in all, $555,339.00—exceeded 50% of the total Public Liability, and that the remaining Assets, $2,398,722.00, represented a ratio of over 4 to 1 to the remaining liability.

Sterling Debentures increased from $345,000.00 to $412,000.00; Currency Debentures from $374,000.00 to $396,000.00; and Deposits from $172,000.00 to $183,000.00; the total Public Obligations of the Company being $1,134,000.00. The Balance Sheet shows total Assets of $2,954,063.25.

The Company's Subsidiary, The B. C. Permanent Agencies Limited, was also shown to be expanding, and to be rendering good service, in Property Management, Insurance and General Agency business.

Mr. Malkin called attention to the increasing difficulties of taxation: "Of late years, there has been a strong tendency to pass legislation unfair to Mortgage Companies. Various liens and charges have been made a prior claim to first mortgages, and we may have to seriously consider the advisability of discontinuing loaning in those provinces in which legislation makes it impossible for us to satisfactorily safeguard the interests of our Shareholders. In addition to this, in 1925, we shall have the Dominion Income Tax ranking ahead, under certain conditions, unless amending legislation is passed in the interval. Our taxes, last year, represented over 1% of our entire capital, and 12½% of the net profits."

Speaking of British Columbia, Mr. Malkin said: "Our basic industries, lumber, mining, pulp and paper, are all in a sound condition, and, generally speaking, are proving profitable to those investing in them. A tremendous development in the movement of wheat through this Port is one of the outstanding features of the situation. It seems to be an assured fact that grain produced in the Middle West as far as some distance east of the border between Alberta and Saskatchewan, will be marketed here, besides which, we shall have, as time goes on, an enormous yield of wheat in the Peace River country, which must eventually find its way through Vancouver. Large sums of money are being spent on the development of the Port by the Government, the C.P.R. and other interests, and I understand the B. C. Electric Railway Company anticipate spending, within the next few years, an amount approximating $10,000,000.00 in improvements and extensions. Altogether, I think we are justified in looking forward to the future of British Columbia with confidence, and it will be the aim of the Directors to take advantage of the improved conditions, and so conduct the affairs of the Company that it will perform that service in the Community which has become a tradition in the history of The B. C. Permanent Loan Company."

The Motion to adopt the Report was seconded by Mr. A. H. Douglas, supported by various Shareholders, and, after the General Manager, Mr. T. D. Macdonald, had given a complete analysis, was unanimously approved.

The retiring Directors were re-elected for the ensuing year, viz.: Dr. D. H. Wilson, W. H. Malkin, C. Spencer, George Martin, A. H. Douglas, Robert Gelletly and R. J. Robertson.

Messrs. Buttar & Chiene, C.A., and Price, Waterhouse & Co., C.A., were re-appointed Auditors for the current year.

At a subsequent meeting of the Directors, Dr. D. H. Wilson was elected President; W. H. Malkin, Vice-President; T. D. Macdonald, General Manager; James Low, Secretary-Treasurer, and Albert Whittaker, Inspector.

BETTER OUTLOOK IN THE HARDWARE AND STEEL TRADE

(Continued from page 1)

Analysis of the index number shows January advance over December of 4.3 points for vegetables and their products, including grain; of 8 points for fibers and textiles; of 3 points for non-metallic minerals and products; of 6.2 points for chemicals and allied products, and a decrease of 3 points for animals and products. Consumers' goods rose 1.4; producers' goods 3.2 and manufactures, partial and finished, 3 points.

Securities Already High

Some American business authorities are watching the rising prices with some apprehension, in view of the free money supply and the natural tendency towards inflation, despite the lessons of only a couple of years ago. The opinion is expressed by Hayden, Stone & Co., Boston, that unless there is a period of inflation at hand there does not seem to be sufficient in the way of rising profits to warrant the expectation of a further general uplift from the already high market level for securities. Since this was written there has been an easier tendency in the market which, however, should not be read as an indicator of future business without considering the previous upward movement which would seem to have been based on the prospects for better business. The present market situation, while indicating doubt as to whether there will be further business improvement in the United States in the near future, is far, as yet, from anticipating any general reaction from the good conditions which are prevailing.

Cars of revenue freight loaded at stations in Canada during the week ended February 9, aggregated 51,606, being a decrease from the previous week of 814 cars. The loadings in eastern Canada decreased only 36 cars but in western Canada the decrease was 778 cars. Compared with the corresponding week last year, the total increase was 6,685 cars; 3,098 cars in eastern Canada and 3,587 cars in western Canada.

CIVIC AND PROVINCIAL FINANCE

NEW ACCOUNTING SYSTEM CHANGES ONTARIO BUDGET

Provincial Treasurer Claims Heavy Deficits Have Been Incurred

The announcement of Hon. W. H. Price, K.C., provincial treasurer of Ontario, in his budget speech this week, that the finances of the province have shown deficits during the past four years, amounting to no less than $15,195,226 in 1923, has turned attention to the methods of accounting used by Canadian provinces. Criticism of the budget draws attention to the possibility that the situation has been made to appear worse than the facts justify. It is claimed by some that the readjustment of the accounts has gone beyond the demands of sound business.

Segregate Operations

However, the opinion of financial men who are familiar with the finances of the province, is that the new system of accounting is designed to place the affairs of the province on a business basis and reveal the operations in much the same way that a private corporation would do in the case of its settlement. That expenditures have mounted to burdensome levels, they claim, is due to the absence of any definite segregation of the various operations each year. The first care is to avoid placing expenditures on current account in the capital account. The next is to keep the statement of any department or activity, such as hydro, housing, etc., separately, so that the exact revenue from, or cost of it, may be determined each year independent of the general budget. A system modelled on this idea has been installed by the provinces of Alberta, Manitoba and New Brunswick. British Columbia is considering adopting a new system shortly. The suggestions of the changes have come in some instances from a prominent firm of chartered accountants.

Increase in Debt

The deficits as outlined by the provincial treasurer were: $2,988,428 in 1920; $3,654,144 in 1921; $2,666,000 in 1922 and $515,195,226 in 1923; making a total of $24,499,830. This statement shows a wide divergence in the three former from the statements issued by the previous treasurer. The changes behind this will no doubt come out in the subsequent deliberations of the Legislature and their efficacy thoroughly discussed.

The minister's statement showed that the total liabilities of the province to date were $303,391,000, the increase in direct liabilities of the province over the last fiscal year being $54,330,000. Deducting the revenue-producing liabilities, such as the T. & N. O. and Hydro, the non-revenue-producing liabilities had risen to a net debt to-day of $109,000,000.

Effect on Bond Prices

The probable effect of the announcement on the market price of Ontario bonds, has been the subject of some comment. On the day of the budget speech some issues were weaker, but it is pointed out by dealers that this was due chiefly to other causes, among them the continued inactivity and the possibility of some larger blocks of bonds being offered for sale by institutions now holding them. While Ontario bonds are always purchased freely by large buyers in Canada, United States companies have frequently offered severe criticism of certain policies affecting the bonds. With the wide market in New York for foreign bonds, many of them with excellent security, buyers have at times been disposed to pass over some Canadian offers. The reasons given were the heavy debts on account of public enterprises without any definite statements of profit and loss on the enterprises themselves. Thus the recent Japanese loan, with a yield of 7.10 per cent., looked attractive to many of these companies in comparison with issues of Canadian provinces on less than a 5.20 per cent. basis.

Criticizes Purchases

The budget also revived the contentious purchases of free from succession duty bonds, in the claim of the provincial treasurer that the various transactions and the difference between the interest paid on the old bonds and the newly-acquired money to pay for them had cost the province $6,985,615. The general opinion among financial men is that the policy of purchasing these was a sound one as they were used over and over by successive estates. Moreover, the public acccounts show that the bonds were bought from many different sources rather than from any favored place. However, there is a curious divergency in the prices paid, indicating the absence of any attempt to secure the bonds at the lowest possible price.

The Minister held out no hope that the deficits can be eliminated, except by a slow process of careful financing for some years. During the present year he expects to cut expenditures by approximately $5,000,000 and increase the revenue possibly $4,000,000 to $38,000,000. No new taxes were proposed to accomplish this.

SUMMERSIDE'S FINANCES

The total liabilities of the town of Summerside, P.E.I., are $277,618, of which $162,500 is on account of debenture debt, and sinking funds total $55,865. The revenue for 1923, as revealed in the annual report was $45,793 and a surplus of $2,268 was realized.

The assessment of real estate in 1923 was $1,559,250, as compared with $1,471,980 in 1922, while the personal property assessment decreased from $1,025,267 in 1922 to $1,012,850 last year.

Exemptions Cause Big Tax Loss at Halifax

HALIFAX.—The complicated state of the finances of the city of Halifax, as revealed in a special audit, has led to a search for ways and means to overcome the adverse factors. Investigation indicates that a serious leak in revenue occurs through the exemptions from taxation. The list of exempt properties in the city is as follows:

Imperial government property	$ 3,373,000
Dominion government property	11,070,300
Provincial government property	1,912,300
County property	220,000
Church properties	1,948,500
Sunday School properties..	146,200
Educational properties ...	1,973,500
Cemetries	152,800
Charitable institutions ...	1,525,700
Miscellaneous properties ..	4,285,100

Those interested do not go so far as to maintain that exemptions should be stopped, but they point to the heavy loss of revenue due to the policy.

WINNIPEG NET DEBT FRACTION OF GROSS

Utility and Special Items Make up Large Part of Total Liability

Much consideration has been given to the debt of the city of Winnipeg by the treasurer and finance committee. The statement as it stands is as follows:

Gross debt	$50,408,503.62
Deduct revenue producing and other special debts as follows:—	
Local improvements, ratepayers' share..	$11,615,217.49
Fire service, water works, spec. assess.	1,284,632.28
Public school board	6,450,000.00
Water works system	6,455,929.24
Hydro electric system ...	12,252,000.00
Housing	2,840,000.00
Total	$40,897,779.01
Total Sinking Fund	$14,268,726.86
Less Sinking Fund on above special debts, also $100,000 held in reserve for City of Winnipeg Pension Fund	10,185,953.29
Total	$ 4,082,773.57

According to the figures made public the net debt is only $5,427,951, after deducting the revenue producing items and the general sinking fund.

The statement reveals a condition which is often puzzling to bond buyers and others in considering municipal reports. Out of a gross debt of fifty millions nearly forty-one are deducted on account of so-called revenue producing debts. While this deduction may be proper and the utilities and special services self sustaining, there is no way of knowing this unless individual statements covering each are added. Should the utilities in any case be losing money, it should be shown when the debt for them is deducted.

New City Manager is Appointed at Brandon

After a great deal of deliberation and several postponements the city council of Brandon has appointed A. W. Ellson Fawkes as city manager, at a salary of $4,200 a year. Mr. Fawkes is an engineer by profession and has been residing in Hamilton. He has had more than 20 years municipal experience gained in England, Scotland, Canada, and the United States. He is a graduate of the College of Science and Technology, Edinburgh, Scotland. He was engineer for the concrete dam and hydro power development at Campbellford, Ont., and for the $1,500,000 filtration plant of the Chicago, Milwaukee and St. Paul railway. He also designed the present system of water supply from the Rocky Mountains for Calgary.

Retire St. Catharines Bonds Before Maturity

In the course of a discussion at a council meeting of the city of St. Catharines, it was revealed that the former shortage in the sinking fund has been overcome and a surplus of $70,000 now exists in the fund. For some time the earnings of the fund in excess of the requirements have been applied to a reduction of the deficit, resulting in the present favorable position.

The Council will seek legislation by the Ontario Legislature to permit the city to retire St. Catharines bonds before maturity with the excess earnings of the sinking funds.

Tenders and By-Laws

TENDERS WANTED

Feb. 23, Timmins.—$160,000, 5%, 30-yr. debentures. H. E. Montgomery, Clerk-Treas.

Feb. 26, Cochrane.—$5,500, 6%, debentures. R. E. Mortson, Clerk and Treasurer. (See announcement on page 16.)

Feb. 25, Kenora.—$31,687, 5½ and 6%, 20 and 30-yr. debentures. F. J. Hooper, Treasurer. (See announcement on page 16.)

Mar. 10, Vernon.—$31,000, 5½%, 15-yr. debentures. J. G. Edwards, City Clerk. (See announcement on page 16.)

Mar. 5, Bagotville, P.Q.—$80,000, 5½%, 30-yr. serial debentures. Louis P. Chayer, Sec.-Treasurer.

Mar. 3, Burnaby District, B.C.—$280,000, 5½%, 6 and 15-yr. debentures. Arthur G. Moore, Clerk, Edmonds.

Feb. 25, Cap de la Madeleine, Que.—$75,000, 5½%, 10-yr. serial debentures, $50,000, 5½% debs. A. Boulaine, City Clerk.

LONDON HAS LOST HEAVILY ON ITS HOUSING SCHEME

Many Houses Still Unsold, Some Rented at Present

From Our Own Correspondent.

LONDON.—London has had its experience with housing commissions, and while the scheme was entered into with the best of intentions, it is safe to say the city will never touch the scheme again.

Two or three outstanding things have been established, the chief of which is that a commission cannot build a house as well as a contractor working for a private party.

Secondly, the whole thing is dragged persistently into municipal politics, and a purchaser who is not satisfied, at once goes over the head of the commission and takes his case to the aldermen. Any defects in the house, aired in this way, find access to the public press through the reports of committee meetings, and prospective buyers become suspicious of the whole scheme.

One of the most outstanding things, apart from this, was the fact that after some of the houses were sold at cost prices, it was found necessary to reduce the selling figure in order to make the houses move. When this was done all those who had bought at the previous price came after the commission for a like reduction on the properties they had already purchased, and it was granted to them.

London has fared better on houses that were built by private parties on loans from the city, advanced by the provincial government under their housing scheme. The city will not lose on these, although some of them have come back on the city's hands. The fact that payments made on such premises revert to the city in case of default has precluded any loss so far.

The city purchased a property and built 42 houses on it, as much alike as peas in a pod. They cost from $3,500 to $4,500. Thirty-four have been sold, five are vacant and the remainder rented. The five-room house is now selling at $3,399, and the four-room house at $3,193, which, counting the overhead and clerical work, represents a loss of between $800 and $1,000 on the properties.

On Garfield Ave., 17 houses were built, the cost of which was close to $5,500, and the selling price to-day is $4,560. There has been just one sale made on this street; three are vacant and the remainder rented to monthly tenants.

The best chance the city has is to sell the rest of the lots, which are very low in price, averaging about $7 per foot. Any live real estate firm would go ahead and clear up on this land, dispose of the rest of the houses as quickly as possible, and proceed with something more profitable.

Current Tax Arrears Are Higher at Calgary

An increase in arrears of current taxes to approximately $833,000 in 1923 at Calgary, is reported, while around $600,000 has been collected during the year on arrears from former years.

The actual cash shortage of the city on the year's operations will, therefore, be in the neighborhood of $250,000. This shortage in 1922 was $474,809, and in 1921, $585,953.

The question of what to do with the money collected on arrears comes up for consideration. It would seem that the sinking funds should have first claim on it but every year they have been applied to make up for the shortage in current collections. The loss in collections, represented by land secured through tax sales, is allotted to the sinking funds. The result is that the city is always trying to "catch up."' Officials state that expenditures have been reduced to a minimum and that the only way to overcome the difficulty is by an increase in revenue.

Increase in Hamilton Debt During Past Year

According to the report of W. H. Davis, city clerk at Hamilton, the debt of the city increased in 1923 faster than the population. The gross debt at the close of 1922 totaled $18,150,233.33 and at the end of 1923 this had increased to $18,258,860.07. This does not include the debentures which were offered for sale last fall, but were withdrawn and disposed of early this year. This sum must be added to last year's increase. Thus, last year, there was an increase of $108,628, to which must be added this last sale of bonds, which amounted to $970,831, bringing the gross increase to $1,079,458. Against this must be set instalments paid into the sinking fund amounting to $302,352. This made the net debt increase exactly $779,106. As the population has only increased by 700, the per capita debt has risen.

The bonds maturing in 1924 total $356,180, so that the city cannot issue more than that amount during the present year if the object of keeping the debt down to present levels is attained.

UNIFORM MUNICIPAL AUDIT

A bill has been introduced in the Quebec legislature providing for the establishment of a Bureau of Inspector-auditors, the object being to do away with certain abuses which have crept in and supply the municipalities with a uniform system of financial control and audit.

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Organized 1874
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G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

The Forty-fifth Annual Report of

The British Mortgage Loan Company

OF ONTARIO

STRATFORD, ONTARIO

The net profits for the year 1923, after paying interest on Debentures and Deposits, expenses of management, War Taxes, and all other charges amount to $88,853.11 to which is to be added the balance carried forward from 1922, $6,435.25 making a total of $95,288.36, which has been distributed as follows:

Dividends Nos. 90 and 91 at 12% per annum	$60,000.00
Bonus of 2% in addition	10,000.00
Transferred to Reserve Fund	20,000.00
Balance carried forward	5,288.36
	$95,288.36

The Company has no speculative or doubtful securities of any kind.

The Directors do not sanction any loan of the Company's money on vacant or unproductive property.

The British Mortgage Loan Company is now in **first rank of similar institutions within the Province.**

The Reserve Fund has been increased $20,000.00 during the year and now stands at $520,000.00. This fund exceeds the paid-up Capital Stock by $20,000.00 and a substantial balance is being carried forward to 1924.

ASSETS		
Offices Premises (Freehold)		$ 30,000.00
Real Estate held for sale		Nil
Mortgages—		
Principal ...	$2,614,771.00	
Interest	79,938.00	
		2,694,709.00
Bond Securities:		
Bonds guaranteed by the Dominion of Canada and Bonds of the Provinces of Canada $	113,142.00	
Can. Municipalities	841,210.00	
Int. on Bonds	23,839.00	978,191.00
Cash on hand	15,583.92	
Cash in Bank	53,414.98	68,998.90
		$3,771,898.90

LIABILITIES		
To the Public:		
Debentures and accrued interest		$1,400,425.00
Deposits and Interest.....		1,306,185.54
		$2,706,610.54
To the Shareholders:		
Capital stock (fully paid) .	$500,000.00	
Reserve Fund..	520,000.00	
Dividend and bonus (since paid)	40,000.00	
Balance carried forward	5,288.36	
		$1,065,288.36
		$3,771,898.90

J. W. SCOTT, President. J. A. DAVIDSON, Managing Director.

A BRITISH COMPANY
UNION INSURANCE SOCIETY OF CANTON
LIMITED
ESTABLISHED 1835
Fire - Automobile - Marine Insurance
TOTAL ASSETS OVER $40,000,000.00.
Head Office for Canada - 36 Toronto St., Toronto
C. R. DRAYTON, Manager for Canada

Six Per Cent. Dividend By Sterling Trust Co.

Improved earnings are reported for the Sterling Trusts Corporation for 1923. A 6 per cent. dividend was paid to shareholders and the balance increased by over $10,000. Following are comparative figures:

Profit and Loss

Net earnings . . .	$33,096	$31,452	$11,736
Profit on shares .	....	3,897	....
Misc. adjust. . . .	7,849	....	....
Bal. forward ...	15,694	30,344	x18,608
	$55,639	$65,693	$30,344
Reserve	$	$50,000	$ ....
Dividends	29,782	....	....
Balance	25,857	15,693	30,344
	$55,639	$65,693	$30,344

x Less adjustment in respect of income tax, 1919.

Seven Years' Record

	Capital Account	Guar. Trust Account	Estates Trust Agencies
1923	$674,797	$384,966	$4,041,954
1922	597,112	373,831	3,393,788
1921	547,312	532,405	2,474,169
1920	530,881	588,652	3,066,290
1919	574,859	587,307	7,070,068
1918	598,108	563,641	10,896,204
1917	519,603	603,520	3,491,822

Satisfactory progress is evidenced by the increase of $736,985 in total assets, the largest part of which is made of estate and trusts under administration. The total assets are shown at $5,101,718.

To Split International Harvester in Three Parts

CHICAGO.—Action to split the $150,000,000 International Harvester Co. of Chicago into at least three independent parts is under way here by the government. Alleged failure of the company to restore competition in the agricultural implement industry, as agreed upon five years ago in hearings in St. Paul, prompted renewal of dissolution efforts.

Violation of the anti-trust law is charged by the government. Its principal aim is to separate the McCormick and Deering properties, Abram F. Myers, special assistant United States attorney general in charge of the prosecution, declared.

WEATHER INSURANCE MEETING

The annual meeting of the Western Farmers Mutual Weather Insurance at Woodstock last week was marked by the retirement of C. W. Carroll from the presidency, which office he has filled for the past two years. The company which started fifteen years ago has at present $30,000,000 of weather insurance in Western Ontario.

AETNA LIFE PROMOTIONS

Two new vice-presidents have been elected by the Aetna Life Insurance Company at Hartford. R. W. Myers, becomes vice-president of the accident and liability department, and E. E. Cammack, formerly actuary of the Aetna Life, becomes a vice-president.

INSURANCE FOR BUYER AND SELLER

INSURANCE MONEY AIDS DISTRESSED BANK DEPOSITOR

Tendency to Pay up Policy During Earning Period

The heavy loss sustained by a depositor in the Home Bank has brought to light one of the uses of life insurance as a benefactor to those insured. The depositor, who had a whole life policy in the Sun Life Assurance Company, found himself facing financial difficulties and appealed to T. B. Macauley, president of the the company. The matter was considered by the board of directors, with the result that the management was authorized by a special allotment of surplus funds to convert life policies that had been in force fifty years, the holders of which were 80 years of age or over, into matured endowments.

The list of those who benefit under this decision includes residents of many parts of Canada and the United States, among these being Dr. S. P. Robins, L.L.D., Montreal, who received a cheque for $3,139 on his ninety-first birthday. This would ordinarily not have been paid until after his death.

The incident brings to attention one of the most important functions of life insurance as it is issued to-day—providing for possible financial difficulties of the insured himself in his later years, as well as giving protection to his dependents against his early death. In the case of ordinary life policies, where the insured contracts to pay the premiums during his whole life, safeguards are inserted by most companies.

Many now place clauses in their policies making them payable to the policyholder at age 85, as an endowment, even though they ordinarily require payment of premiums until death. Moreover, cash surrender and loan values added after the third year make it possible for the insured, if in difficulty, to stop premium payments either temporarily or permanently. This action, of course, is only recommended in case of urgent need. In addition to this, the profits on participating policies frequently become large enough to reduce the premiums materially, or even do away with them on whole life policies.

The appeal made by the bank depositor also emphasizes the need of those buying insurance to consider their possible earning period. Whole life policies require lower premiums than limited payment and endowment policies, because the insured contracts to pay continuously until his death. They offer more protection for less money, and for that reason are favored. In cases where the protection is highly desirable, and the policyholder cannot meet the premiums on more expensive policies, the whole life policy is the one to be chosen. However, a danger lies in the insured over-estimating his circumstances in later years. The tendency is for the young man to feel that he will have plenty of money to pay premiums when he is older. To guard against this many live salesmen recommend policies on the basis of the prospect's age. Thus, a married man at 35 may secure a 20-pay life policy and pay it up fully by the time he is 55 years old.

At a time when his productive powers are likely to wane he is relieved from paying insurance premiums. On the other hand, at age 20, a 30-pay life policy may be taken, instead of the more common 20-pay life policy. The insured will complete the payments during his most productive years, and he can pay for more insurance than he could on the 20-pay life plan.

Assets of Commonwealth Life Now Total $164,357

At the annual meeting of the Commonwealth Life and Accident Insurance Company in Hamilton last week, C. W. Cadwell, of Windsor, was elected a director to succeed Col. W. H. Price, K.C., Toronto. Otherwise the board remains unchanged.

The year was one of sound growth for the company.

New insurance issued and revived during the year amounted to $3,668,000. Total insurance in force was increased during the year by $2,724,357 and now stands at $4,150,567, not including double liability.

Total receipts, including premiums on policies of $80,717, payments on capital stock, and interest on investments, amounted to $152,300. Assets of the company, now total $164,357, including $67,843 in provincial and municipal bonds, and $27,250 in mortgages. After providing for reserves, and for all liabilities, the surplus to policyholders is $114,008, including the net surplus of $26,915 over all liabilities and paid-up capital.

Monarch Life President is Visiting Agencies

Following a tour of inspection of the prairie provinces, J. W. W. Stewart, vice-president and managing director of the Monarch Life Insurance Company, speaks favorably of the outlook. He states that the farther west one goes in the west, the better the sentiment becomes. In Edmonton, business people are cheered by the promise of great developments, in the gas and oil area east of the city, and in the north and northwest.

Mr. Stewart is now visiting the Ontario agencies, and a conference is being held in Toronto this week.

Government May Issue Marine Insurance Soon

Following a complaint from Vancouver that the Virginia Dollar, one of the Robert Dollar round-the-world steamships, was forced to refuse a cargo of tea for Halifax on account of discrimination in insurance rates, the Department of Marine has suggested that the government go into the marine insurance business. The suggestion is that G. D. Finlayson, Superintendent of Marine Insurance prepare amendments for the coming session of Parliament making this possible. Those most directly affected by the higher rates charged for insurance on vessels calling at upper Atlantic ports, feel that this action is the only one to overcome the difficulty as all representations to the insurance companies for reductions have so far failed.

ADJUST RATES ON AUTO INSURANCE; NEW MANUAL SOON

Expect Changes to Come in Force in March

Since the announcement of substantial changes in automobile insurance in the United States at the beginning of the year, rumors have been current that new rates and classifications would be introduced in Canada shortly. The officials of companies engaged in the business have been busy considering changes for some time and it is expected that a new rate manual will be issued in March. What changes will be involved is as yet a matter of conjecture. It is not likely that any material changes will be made in the rates on protection against fire but the rates on public liability, property damage and collision insurance on private and pleasure cars may be reduced. One change designed to simplify conditions, which is receiving consideration, is the reduction of the number of classes in determining the premium rates for public liability and property damage insurance. At present the rates vary according to the make of car under consideration, there being approximately thirty classes. The number has been greatly reduced in the United States and it is expected that it will be cut down to six or thereabouts in Canada.

The general tendency is to eliminate special and contentious clauses. Formerly certain public liability and property damage policies only covered the automobile when used for private purposes and driven by the owner. These restrictions are now removed in the United States and similar changes may be made here.

The U. S. changes provided for lower public liability rates on private cars in many districts, but in some districts slight increases were found necessary. Consequently the general reduction in Canada may not be as great as some reports suggest. Moreover, property damage rates were increased to some extent in the United States, while collision rates were not changed. In the case of commercial or public automobiles virtually no rate changes were made.

Little change is expected in the rates on fire or theft either of the car itself or extras, such as spare tires, robes, etc. One addition to motor equipment—trunks attached to the rear—has caused considerable speculation as to the risk of theft. The U. S. decision was to rate cars with boxes for mechanics' tools, travellers' samples, etc., as private passenger automobiles. Where the box is used to transport goods or merchandise for delivery the car is rated as a commercial vehicle, because it is considered that the risk of theft is similar to that of delivery trucks.

The changes may have some significance in considering the amounts of each class which is written. Many owners, when confronted with the cost of full cover are disposed to secure protection against fire or theft only. As a result many cars are not insured for public liability, property damage and collision claims. A lowering of rates on these classes may mean an increased favor among car owners for this protection.

Life Company Need Not Show Profit on Bonds

A problem which has been the cause of no small worries to the accounting staffs of life insurance companies is that of placing the profit or loss on bond transactions. Consideration of annual statements gives rise to special interest in the question at this time. A ruling given during the year by the Superintendent of Insurance partly clears up the difficulty. The general principal laid down in the ruling is that a company need not show a profit on bonds when exchanging them for others. Consequently a company may buy a block of bonds for say $90,000; when they have appreciated in market value to $95,000, they may be exchanged for $95,000 of other bonds. The natural course would be to place the new bonds in the books at a valatuion of $95,000 and show a profit on bond transactions of $5,000. However, under the ruling this need not be done. Instead, the new bonds may be carried at $90,000, the net result being to increase the company's interest earnings instead of the assets.

However if the price at which the bonds first purchased are turned in, is lower than the actual price paid, the loss in value must be shown as such. This restriction is evidently designed to prevent any possibility of covering up losses on investments.

LICENSED COMPANY ONLY IS SAFE TO CARRY INSURANCE

Department Issues Warning Following Complaints of Non-Payment

A warning has been issued to purchasers of insurance in Canada by the Dominion Insurance Department, following complaints made to the Department of Finance at Ottawa that difficulty has been experienced in collecting benefits due on certain policies of sickness and accident companies delivered by mail from the United States. Most of these policies have been issued by companies specializing in insurance of commercial travelers.

The warning does not necessarily mean that the companies in question are not in a sound financial condition, but it gives definite information why insurance should not be placed with them. Insurance in Canada has enjoyed a particularly sound history, due largely to the supervision centred in the governing bodies. In spite of a cleavage between the Dominion and Provincial authorities as to their respective jurisdiction in the field, an adequate system of licensing, deposits and supervision has been enforced for the protection of the public.

In case of life insurance companies the investments are limited by law to certain classes, specified portions of the money received as premiums on policies are set aside as "reserves," and, as an extra security, initial deposits in securities or cash must be held by the Department. The officials of the Insurance Department at Ottawa or in each province make regular inspections of the books of each company to ensure that these provisions are strictly observed. In the case of foreign companies the funds composing the reserves against outstanding policies cannot be taken out of the country but must be held by a trustee.

Similarly fire and the various casualty and accident insurance companies must make deposits with the government, submit to inspection by the Department of Insurance officials, and maintain reserves under conditions which are considered sound.

These regulations apply to all licensed companies and provide a safety valve for the policyholders. The Department is familiar with the financial condition of each and may be able to check any unsound tendencies before any heavy losses occur.

It is against the companies which do not comply with these regulations and are not licensed that the warning is now issued. In spite of the condition of any unlicensed company the insured cannot secure payment of claims by process of law, if any resistance is offered. This leaves those insuring in such companies open in the first place to wilful deception on the part of the company officials and in the second place to losses in case of dispute. As insurance contracts often continue for many years under changed conditions disputes may readily be encountered. When this happens in the case of unlicensed companies, the insured must look to the courts of the country where the company's home office is for redress.

Sovereign Life Builds Up Special Reserves

A strong financial position is exhibited by the Sovereign Life Assurance Company in its annual report for 1923. Assets now total $2,775,749, made up as follows: bonds and debentures, 51.7 per cent.; first mortgages, 30.3 per cent.; policy loans, 14.1 per cent.; real estate and sundries, 3.9 per cent. The surplus to policy holders over all liabilities is $146,037. In addition there is paid up capital stock, $209,995; investment reserve, $73,293; contingency reserve, $30,000.

The receipts for the year were $705,997, of which $555,975 was on account of premiums. Interest and rents amounted to $144,795, the net rate of return on investments being 6.68 per cent. Death claims were $67,292, an increase of $21,173 over 1922. The mortality rate represented by these claims was 51 per cent. of the expected.

The insurance issued and revived during the year was $3,893,354, leaving the total in force at $17,434,378. The company maintains the reserves on its participating policies on a basis of 3 per cent. instead of 3½ per cent. as required by law. This, and the special reserves, are calculated to maintain the company's affairs in a sound condition.

Field Men of Monarch Life Meet at Toronto

As a further mark of its extension in Eastern Canada, the Monarch Life Assurance Company held a dinner for its field men in Ontario at the National Club, Toronto. The agency force, which is holding a convention this week, was augmented by the presence of several well-known financial men. J. W. W. Stewart, the company's manager, who was recently elected vice-president, presided. Some interesting sidelights on early life insurance history in Canada were given by Thos. Bradshaw, who organized the Imperial Life; Jas. K. Bickett, general manager of the Union Trust Company; F. W. Adams, vice-president of the Monarch Life, and others.

The Monarch Life was incorporated in 1904, and formerly operated chiefly in Western Canada. Some time ago the company entered Ontario, and has been successful in building up an effective field force in the province. The present convention was largely arranged by M. B. Farr, the superintendent of eastern agencies.

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JITNEYS AND LABOR HURT EARNINGS OF MEXICAN TRAMWAY

Strikes of Latter Resulted in Perfecting Service of the Former

POWER OUTPUT UP

Mexican Power Like Tram Company Has Large Unpaid Claims Against Government

Mexico Tramways is meeting with severe competition from a well-organized jitney service. The development of this competition and what is termed the unreasonable attitude of the employees who staged strikes in May, June, October, November and December, was responsible for a decline in gross earnings, an increase in operating costs and a consequent decline in net profits for 1922. Gross earnings were $12,942,417 as compared with 1921 total of $13,075,291 and $11,006,130 for 1920. Operating costs were higher, the operating expense ratio of 72.35 per cent. comparing with 71.95 per cent. the year previous. After allowing for taxation the net profits stood at $2,097,918 as compared with $2,335,436 in 1921 and $1,653,592 in 1920. These figures are in Mexican dollars.

The jitney competition is going to be rather severe on the company, judging from the remarks of G. R. G. Conway, managing director. He says the constant labor agitation has had a marked influence on the growth of this competition, for while the number of the actual jitneys in operation has not increased over that noted the previous year, the routing has become better organized under the direction of the traffic department of the Government of the Federal District, with the result that during the year the number of profitable routes for the jitneys increased from 16 to 41, all of which run parallel to the company's lines. An approximate check of the earnings of the jitneys during the month of July showed that they were taking in about $15,000 (pesos) daily, while by the end of the year their combined earnings had increased to considerably over $20,000 (pesos) per day. To meet this competition—which has arisen due to the abnormal conditions under which the company has been operating—it will be necessary for the company to re-arrange a number of its existing routes and also to add very considerably to its rolling stock.

The surplus revenue was available for clearing up interest arrears on the 6 per cent. mortgage bonds, the balance being employed on capital account. Two half-yearly coupons on first mortgage bonds were paid, leaving outstanding $3,278,437 and on the 6 per cent. bonds, $3,627,443. The clearing up of these arrears is largely dependent on Mexican Light earnings and the success of the company's damage claims against the government. The political situation is holding this settlement up.

Mexican Light and Power Co. only paid the current interest on the company's holding of second mortgage bonds, as that company in 1922 failed to show earnings sufficient, after taking care of fixed charges, operating costs and capital costs, to meet the interest on income bonds. It has been felt that the concern would have been able to clear up some of the heavy arrears owing by the Government and municipalities for light and power, but the continuance of disturbed conditions made this impossible. The total of these bills is $3,661,986. Though the capacity of the company's power plant was increased recently by completion of Alameda and Tepetic plants, further increases will be necessary to keep pace with normal growth as recorded in 1922. For the present the company can take care of a materially increased power demand.

The report shows 1922 gross earnings amounted to $13,193,434, Mexican currency, as compared with $10,473,948, 1921, an increase of $2,719,485. Net earnings after allowing for depreciation amounted to $6,467,988, an increase of $2,550,662. Consolidated revenue account for 1922 shows that net income from operations in Mexico was 7,205,391 pesos or at the rate of two pesos for one dollar, $3,602,695. The net income from investments was $52,523, and miscellaneous income $59,758, an aggregate of $3,714,977. Interest on bonds to the amount of $1,526,708 was paid, and $2,060,853 was the amount of the contribution toward meeting capital expenditures in accordance with the terms of the reorganization agreement.

Maritime Telegraph and Phone Expanding

From Our Own Correspondent.

HALIFAX.—"There has been no marked improvement in business conditions generally throughout the province during the past year," stated President S. M. Brookfield's report at the 14th Annual Meeting of the Maritime Telegraph and Telephone company. "Notwithstanding this condition, however," he continued, "we are able to report an increase of 794 stations, as against 762 for the previous year."

The increased revenue from long distance service was something like 70 per cent. of the increased revenue from exchange service. The laying of new submarine cable at the Straits of Canso, and another at Grand Narrows, has greatly improved the talking efficiency between the mainland and points in Cape Breton.

The question of the automatic telephone system was given careful trial during the year. The one exchange where it had been tried in Halifax is proving entirely satisfactory. As soon as the cost of this apparatus is materially reduced it will be adopted throughout the province.

MACKAY IS NOT HURT BY RADIO

A Satisfactory Year Indicated by Rather Meagre Figures of Annual Report

The annual statement of the Mackay Companies for 1923 gives little indication of the actual earnings of the subsidiaries as only sufficient funds were taken from the various companies to pay the regular dividends at 4 per cent. on the preferred and 7 per cent. on the common, all surplus earnings being left in the treasury of the companies for extensions and development. The following comparative summary of the income account shows a wide difference in the figures because the income for 1922 from the subsidiary companies was enlarged to provide a 10 per cent. extra cash dividend.

	1923	1922
Income	$ 4,898,564	$ 8,623,181
Expenses	292,489	164,272
	$ 4,606,075	$ 8,458,909
Bal. forward	2,113,428	2,093,767
	$ 6,719,503	$10,552,676
Dividends	4,596,502	8,439,248
	$ 2,123,001	$ 2,113,428

The balance sheet shows that the company has investments of $93,304,989.

That the volume of telegraph business handled by the land line system was most satisfactory in 1923, is explained by the president, Clarence H. Mackay. As regards the trans-Atlantic cable situation there was a general reduction in rates last April. However, there has been a gradual increase in the number of messages sent, more than offsetting the reduction and for the past few months the cables have been daily carrying the largest number of messages ever transmitted over them.

Mr. Mackay pointed out that the competition of the radio is having no effect on the volume of business being transmitted over the cables but that on the contrary radio would appear to be stimulating the use of electrical communication between the continents.

LONDON RAILWAY HAD BETTER YEAR

But Increased Costs Nearly Wiped Out Higher Earnings—Jitneys Disposed of

An increase of nearly $100,000 in gross earnings by the London Street Railway Company for 1923, was largely wiped out by higher operating charges, with the result that the net earnings of $121,329 compared with $99,598. Following are comparative figures of the profit and loss account:

	1923	1922
Gross earnings . . .	$693,411	$594,584
Oper. expenses	572,082	494,986
Net earn.	$121,329	$ 99,598
Interest and taxes ..	37,086	34,621
Depreciation	37,365	35,423
Income tax	4,712	2,893
Dividends	......	15,937
Balance	42,166	10.724
	$121,329	$ 99,598

Following are comparative figures from the operating statistics:

	1923	1922
Passengers carried	13,865,148	13,413,945
Car earn. per rev. passenger	4.94 cents	4.37 cents
Transfer passengers	1,782,195	1,536,969
Total passengers ..	15,647,343	14,950,914
Car mileage	2,124,160	1,853,622
Gross earn. per car mile	32.64c.	32.08c.
Oper. exp. per car mile	26.93c.	26.70c.
Net earn. per car mile	5.71c.	5.38c.
Other charges per car mile..	3.72c.	3.93c.
Net income per car mile	1.99c.	1.45c.
Number of miles of track	36.10m.	36.10m.
Gross earnings per mile of track ..	$19,208.07	$16,470.47

During the latter part of 1922 and the early part of 1923, the company suffered by competition by motor buses but this was eliminated in February, 1923, by action of the city. The question of public ownership has been deferred, the city and the company having failed to reach an agreement as to the figures to be submitted to the ratepayers.

BRYANTS SPECULATED WITH CLIENTS' FUNDS

Started Brokerage Business With No Funds—Draw Prison Sentence

Bryant Brothers, Norris P. and Adin E., brokers of Montreal and Toronto, stand convicted and must serve a prison sentence if their appeal fails, on six charges of theft from clients. Bryants started in the business with nothing. They carried on a tremendous business practically all marginal trading. By numbered accounts and cross transactions, it was contended they defrauded their clients. Mr. Justice Wright observed that, as the accused did not have money themselves when they started the firm without any capital, and speculation had been shown to run into hundreds of thousands of dollars, it was for the jury to decide where the money came from. Were clients' funds, deposited with the firm for purchase of stocks, used for other purposes—that of speculation by the accused themselves?

By returning a verdict of guilty on six counts, the jurors answered the judge's inquiry in the affirmative.

NINE PER CENT. YEAR'S EARNINGS OF SHAWINIGAN

Gross Earnings Went Over $5,000,000 For First Time

From Our Own Correspondent.

MONTREAL.—Shawinigan Water and Power Company topped previous earnings records in 1923 and went over the $5,000,000 mark in gross revenues. This involved gross earnings for all subsidiaries of over $14,000,000. After payment of all expenses, allowances for depreciation and payment of interest, there was available for distribution $1,790,813, equivalent to 9 per cent. on the capital stock outstanding. This compares with about 8 per cent. for 1922 and having regard for Shawinigan's generous dividend policy in the past suggests the possibility of an increase to an 8 per cent. dividend rate. The present rate is 7 per cent.

Comparative income and expenditure accounts for the past three years are given here:

	1923	1922	1921
Gross inc.	$5,110,539	$4,629,642	$4,224,046
Op. exp.	1,744,465	1,531,355	1,261,946
Net op. rev.	$3,366,074	$3,098,287	$2,962,100
Tax. & ins.	195,181	145,226	123,105
Op. inc.	$3,170,893	$2,953,061	$2,838,995
Interest	1,981,560	1,155,773	1,048,182
Bal.	$1,981,560	$1,797,283	$1,790,813
Depr. res.	350,000	200,000	200,000
Net inc.	$1,631,560	$1,597,283	$1,590,813
Divds.	1,400,000	1,400,000	1,400,000
Bal.	$ 231,560	$ 197,283	$ 190,813
Reserv.	75,000	75,000	75,000
Surplus	$ 156,560	$ 122,283	$ 115,813
Prev. supr.	x159,253	x145,594	39,593
†P. & L. surp.	$315,813	$ 267,877	$ 155,406

x As adjusted.

† Subject to deduction for income tax.

The president, J. H. Aldred, in his report, makes a brief summary of industrial conditions in Quebec and hazards two predictions. He says:

"The condition of industry throughout the province has continued much the same as reported to you a year ago. The asbestos industry is still quiet. The pulp and paper industry has been very active and further development in this industry seems to be taking place. It is probable that the city of Quebec will become a large centre for the manufacture of pulp and paper.

"The industrial progress of the province of Quebec, and especially those districts served by your company, has shown a consistent growth for many years. Your directors feel that this growth wil continue, and even further expand and that the demand of these communities in the near future will absorb power beyond the present resources of your company."

Despite the enlargement of the company's operations during the past year, the balance sheet does not show very extensive changes. Total assets are increased from $45,381,000 to $47,095,000, the chief increase coming in the securities of subsidiary and other companies which have risen from $13,113,000 to $14,243,000. In the small balance sheet changes is indicated the conservative valuation of assets that is the policy of the company. The various reserves are increased somewhat and surplus, subject to deduction for income tax, is up from $315,800 to $267,900.

MOUNT ROYAL HAD GROSS OF $2,500,000

Earned $42,000 Towards Seven Months Preferred Stock Dividend Accumulation

From Our Own Correspondent.

MONTREAL. — Mount Royal Hotel's first annual statement bore out prior estimates and showed $42,000 earned toward preferred stock dividends for the last seven months of the year. The directors at the annual meeting declared this to be satisfactory for a new hotel in its first year.

Profit and loss figures for the year's operations were shown as follows:

	1923
Gross income	$2,549,038
Op. exp., deprec., etc.	2,070,305
Gross oper. profit	$ 478,733
1st mtge. bond int.	280,000
Balance	$ 198,733
Int. on Convert. Debs.	156,803
Net oper. profit	$ 41,930
Bal. at Dec. 31, 1922	4,974
Bal. at Dec. 31, 1923	$ 46,904

At the annual meeting, W. A. Birks, speaking for the president, said:

"While it would be an ideal condition if the earnings had been sufficient, in addition to paying all fixed charges and taxes, and allowing for depletions, and depreciations, to have permitted the payment of dividends on the preference capital stock accruing for the six months' period to January 1, 1924, it would have been unwise, and prejudicial to the interests of the preference stockholders, to have used any sum for such dividend payment from the company's available cash. The preference stock carries cumulative dividends, which will of necessity have to be paid in full before any dividends can be paid on the common capital stock."

The balance sheet shows a surplus of $46,903, but the operating agreement between the United Hotels and the Mount Royal is shown as an asset to the amount of $6,900,000 or $900,000 more than the common stock of $6,000,000.

JAP. STEEL ORDERS HEAVY

Chicago report says Japan is in market for 3,000,000 tons of steel and that large electrical companies expect to spend $200,000,000 this year for improvements.

"The Pork Barrel" Ottawa's Orgy of Extravagant Spending

(Continued from page 10)

collection of revenue—Canadian Government Railways, $2,000,000.

Civil Government—Department of Railways and Canals, $1,800, $1,500.

Railways and Canals—chargeable to capital—various items for the railways as follows: $3,000, $1,400, $97,000, $4,500, $70,000, $50,000, $47,500, $50,000.

Railways and Canals—chargeable to income — Railways, $80,000, $50,000, $130,000.

Still Worse to Come

But the worst is yet to come. For on Friday, June 3, the day before parliament prorogued, money was voted with an abandon, a carelessness and a callousness that simply appalls. The actual number of items voted is wearyingly long. It would tire the reader. Hundreds of items, millions of dollars, for all sorts of undertakings, works and services in all parts of the country—six hours of grinding out expenditures of public funds on a Friday afternoon, June 3, 1921.

All this is taken from the official journals of parliament. It is the answer to the challenge: How does the Pork Barrel escape parliament? And this was in the year 1921—when the national debt increased by some $80,000,000.

A few years ago, when Mr. Fielding sat upon the Cross Benches, and was not shackled by partyism, he voiced a solemn protest against expenditures being rushed through the House. I have not his words before me, but I have a vivid recollection of the deep impression which his protest made at the time. Alas for political professions and practices! For last session, sitting in the seats of the mighty, Mr Fielding sinned grievously against his pre-office creed. In his budget speech he had pleaded for economy. He had painted a sombre picture of taxation and debt, and he had warned the House that only through retrenchment, only through rigid elimination of waste, could the country be rescued from peril. But the power of the Pork Barrel, the rapacity of his followers, was too strong. And so three or four days before prorogation the House saw him forced into the humiliating surrender of bringing down $15,000,000 of supplementary estimates, estimates which, for their stark allegiance to the principle of pure party patronage at the treasury's expense, were hard to surpass. Wharves, breakwaters, post offices, customs buildings—political manna for the "solid sixteen" of Nova Scotia and the "solid sixty-three" of Quebec—such were the supplementaries of last year. Yet people ask why we plunge into debt and why taxes grow increasingly high!

One of the characteristics of the Pork Barrel is its versatility. It works in countless ways. Take, as an illustration, the government's purchase of supplies. In the old days, a new government simply supplied all departments with a list of its friends. This was the list of the chosen people, the victors to whom the spoils of office must go in the form of all government contracts and in the purchase of government supplies. No need to worry about tenders, or quality, or price; the plums must go to the fortunates who voted for the party in power. During the war there was a change. Sir Robert Borden—to his eternal credit—tore up these patronage lists. He made merit, tender and competition, not campaign contributions, the key to government contracts and purchases; and a little later on, when partyism was submerged into a war administration, a war purchasing commission was brought into being. That war purchasing commission, continuing after the war, and saving the country millions, no longer exists. It was driven into extinction this summer, and we were informed that hereafter purchase of supplies, and letting of contracts, would be a function of a "committee of the cabinet." Few more sinister announcements have come from Parliament Hill for many a long day.

I have left for the last the most costly extravagance of all—the Pork Barrel on a national scale. It is the practice by which governments or parties try to bribe not only a single or a number of ridings, but attempt to indirectly buy up the country as a whole. It was this motive which, as much as anything else, fathered the crime of a transcontinental railway from Winnipeg to Moncton, a project prohibited by common sense, and which now hangs like a mill-stone around the neck of this country. It was this motive which in days gone by made the old Intercolonial a political football, the sport of politicians, and a drain on the national treasury. It was this motive which incubated that fantastic and ruinous undertaking, the Hudson Bay Railway.

The promise of the Hudson Bay Railway, with the subsequent hare-brained attempt to give it effect, was a pure bribe to the West. It was a bribe in which both the old parties played an equally dishonorable role. And the mere fact that ghastly failure of the project has brought neither courage nor wisdom to either party, so far as continuation of the scheme is concerned, impeaches the mushroom professions of economy now being thundered from Parliament Hill.

In the thirteen years that I have been watching parliament from the press gallery I have never met a politician who would privately defend the Hudson Bay Railway. Yet just because it is considered good molasses to catch political flies on the plains, the parties are all for it. All for it; and to-day some twenty-five millions of the taxpayers' money are represented by rusting rails and by Hudson Bay ports whose chief noises are the barking of wolves.

The cold truth is that the average politician is for economy only so long as it is a cry. He will talk retrenchment in the abstract, but he will raid the treasury with the rapacity of Captain Kidd when it is his own riding or his own pet project that needs to be buttressed by dollars. Thus, we have seen even Mr. Meighen himself appear before ministers of the present government to plead expenditures for his riding of Kemptville.

And that is why taxation is high. That is why we flounder into a morass of debt. That is why depressed industry and mounting living costs send our best brains to rear higher the prosperity of a foreign land. That, in a word, is the thing which lies at the basis of our economic ills—a system of waste and squander which, unless this country destroys it, may well destroy this country.

Mortgage Corporation Increased its Earnings

Earnings of the Mortgage Corporation of Nova Scotia showed an increase last year. Following are comparative figures from the profit and loss account:

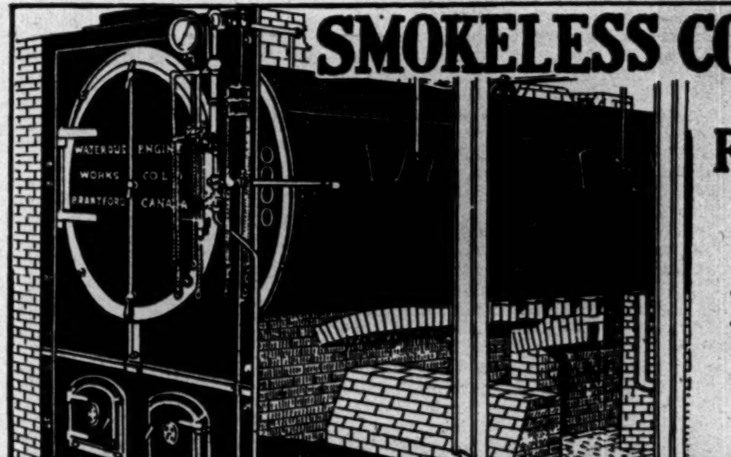
	1923	1922	1921
Net earnings	$ 44,196	$ 42,980	$ 39,888
Bal. forward	111	403	468
Prem. on stock	249	631	205
	$ 44,556	$ 44,014	$ 40,561
Written off .	1,500	2,700	132
	$ 43,056	$ 41,314	$ 40,429
Dividends . .	32,766	31,203	30,025
Reserve . . .	10,000	10,000	10,000
Balance . . .	290	111	408
	$ 43,056	$ 41,314	$ 40,429

Seven Years' Record

	Paid-up	Net	%	on	Earn.
Year	Capital	Profits	Div.	Cap.	Rate
1923	$562,944	$42,696	6	7.9	6.0
1922	552,670	40,281	6	8.0	6.0
1921	521,192	39,756	6	7.9	6.2
1920	513,541	39,017	6	7.9	6.3
1919	507,654	43,875	6	9.1	7.4
1918	499,146	38,843	6	8.4	6.9
1917	453,276	31,843	6	7.8	6.2

INTERNATIONAL LOAN

The annual statement of the International Loan Company, of Winnipeg, shows total undivided profits of $40,409, compared with $32,439 in the previous report, an increase of $7,970 for the year. The balance sheet shows assets of $561,110 compared with $545,514 in the previous statement. Paid up capital and undivided profits amount to $518,668 and the excess of assets over liabilities to the public $559,073, the public liability being only $2,000. Practically the whole of the company's funds are invested in mortgages of $508,862 and real estate $47,488.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BRANTFORD, ONTARIO CANADA

The Sovereign Life Assurance Company of Canada

Head Office, Winnipeg

BALANCE SHEET AS AT DECEMBER 31ST, 1923.

ASSETS

Bonds, Debentures and Debenture Stocks (ledger value)	$1,307,865.82
First Mortgages on Real Estate..	767,611.75
Railway Stock (ledger value)	13,400.00
Real Estate Owned	94,723.44
Loans on Policies secured by Reserves	356,220.82
Cash in Banks and at Head Office	10,202.48
Net Outstanding and Deferred Premiums (allowance for cost deducted)	131,167.04
Interest Outstanding	45,798.48
Interest Accrued	48,759.60
	$2,775,749.43

LIABILITIES

Net Reserve under Assurance and Annuity Contracts, including value of Supplementary Contracts	$2,143,228.00
Death Claims awaiting settlement	29,200.00
Premiums Paid in Advance	8,003.99
Provision for Contingent Profits under Deferred Dividend Policies issued on or after January 1st, 1911	47,450.00
Policyholders' Funds left with the Company	29,186.34
Policyholders' Dividends due and unpaid	1,837.44
Interest Paid in Advance	10,389.92
Taxes Accrued, payable 1924	11,060.86
Sundry Accounts due or accrued..	4,154.06
Bank Overdraft	19,086.41
Shareholders' Account	12,827.52
Capital Stock Paid Up	209,995.00
Special Funds: Investment Reserve	73,292.60
Contingency Reserve	30,000.00
	$2,629,712.14
Surplus to Policyholders above all Liabilities and Special Reserves	146,037.29
	$2,775,749.43

Summary of Annual Report for 1923.

Insurance in Force		$17,434,378.00
Paid to Policyholders and Beneficiaries since Organization		1,564,027.31
Total Assets		2,775,749.43
Surplus (including Capital $209,995)	$356,032.29	
Special Reserve Funds above all specific liabilities	103,292.60	
Market Value of Securities in excess of Ledger Value	57,646.00	
Surplus to Policyholders on Dominion Government Standard	516,970.89	

BIG CROPS HELP TRADE PROSPECTS IN THIS COUNTRY

There Have Been Profits For Many of the Farmers

WORLD CONDITIONS

Economy in Government Expenditures Necessary to Relieve Burdens on Business Says Steel Company Official

By H. T. DIPLOCK,

Of the Steel Company of Canada, Montreal, Before Hardware Convention at Hamilton.

As our status as a nation changes we are more and more brought in contact with outside markets beyond those of the United States and Great Britain. As far as this country is concerned, during the war manufacturers increased trade, exports of Canada as a whole increased materially and it was felt when the war was over that difficult times were ahead, but to our surprise, we found in these post-war days that, inspired by the necessity brought about by the war and the post-war period, we are exporting to the world in excess of our total value of foreign trade during the war; and that this country needs to expand in respect to trade, is realized when you consider that before the war Federal requirements were about $130,000,000, whereas the needs annually are now almost $400,000,000. With nine millions of people, Canada requires in twelve months time, to raise as much money in taxation as was represented by the entire debt of the country before the war. From the standpoint of necessity, we must be spurred on to greater trade activities at home and abroad. We have been able to respond to these necessities as indicated by trade reports.

Franc Depreciates

We have seen in the course of the past year the value of the Belgian and French franc depreciate over twenty-five per cent. The British pound sterling has been reduced ten per cent. in buying power. The ability of Europe to buy affects our position to sell. The position of the pound affects the buying attitude of Africa, Australia and New Zealand. Canadian manufacturers have always done a certain amount of business in New Zealand and as exporters, we find this falling value affects our markets correspondingly. However, looking at the European conditions today, I think we can say that the worst has probably happened. During the post-war period Italy, Poland, Czecho-Slovakia and other countries have been in a state of constant alarm, but those European markets are slowly improving and getting down to a basis of hard work and an endeavor to balance their budgets. Economic pressure on France has made necessary the raising of money for loans and the Ruhr occupation has been responsible for lowering the value of the franc. The French government has been forced to agree to an increase in taxation of 20 per cent., rather than depend on getting reparations from Germany. The high cost of French wine and other necessities has had more effect upon the minds of Frenchmen than has the Ruhr.

In Britain, there is the labor government, but it seems to be steeped in British tradition and if they can open the door of trade with Russia and do away with the dole system, they will have achieved some constructive legislation. But, apart from that, large government enterprises are in sight to reduce unemployment.

Purchasing Power Lowered

In South America, purchasing power is materially affected by the low values of their currency. Cuban conditions are improving with the advanced price for raw sugar. In Japan the yen, which is normally worth fifty cents in American money and which remained at par during the war, has, since the disaster, fallen to forty-three cents. This condition causes fear, but it is encouraging that it has recovered to 45 and 46 cents, in view of the large loans pending. It is expected in New York that Japan will be a large buyer of materials about next April. The Japanese government took off duties on building materials until the end of March and large shipments are being made from the U. S. and Canada.

We are particularly interested in the United States. In the last two years the U. S. has shown what can be done by a rich country, which is in a very large measure self-supporting. No doubt the fact that money has been easy to get in that country has had its influence upon business activities. The gold reserve in the United States in 1914 was less than two billion dollars. At the end of last year the U. S. had four and one-quarter billion dollars in gold and bullion. This represents by far the greater part of the world's gold supply and it is not surprising that call money in Wall Street is at 4 to 4½ per cent.

Building Value

The great building activity in the United States is said to value five to six billion dollars. The purchasing of railroads is over a billion dollars; auto manufacturers made over four million cars and trucks. These activities took two-thirds of the production of steel in the United States. Last year the U. S. established a record for all time in respect to the production of pig iron and steel ingots. The production of about 44,000,000 tons of steel ingots last year was only surpassed in the record year of 1917. That production of steel represents about two-thirds of the world's steel. Britain, producing eight million tons of ingots, exported over half that quantity, but of the tremendous production of 44,000,000 tons of steel in the United States, the home market absorbed 93 per cent. The United States exported to the open markets of the world last year less steel than did Belgium. People in the U. S. consumed one-third of a ton of steel per capita; Canada one-sixth of a ton per capita, and Britain about one-tenth. As a barometer you can see the relative position of these countries.

Prospects in the U. S.

What the situation holds for industry in the U. S. this year will next be considered. Never in the history of steel prices has there been such a demonstration of strength as that given during the last eight months of last year. The U. S. Steel Corporation produces about 45 per cent. of the steel in the United States. Its obligations showed a steady decline until the end of the year. In January those obligations showed considerable increase. The American industry is in better shape as far as pipe is concerned. There is a stronger demand for wire products. Bolts and nuts have advanced 5 per cent. Pig iron is strengthening again and there appears to be no reason why the U. S. should not have for six months of this year great activity in the steel mills which are again operating at from 80 to 90 per cent. capacity. Youngstown, the other day, started up the only remaining furnace not in operation. Pig iron production in January was greater than in December.

Our Taxation Burden

In the United States the population was 76,000,000 in 1900. In ten years it increased 13,000,000. From 1900 to 1920 population increased from 76,000,000 to 106,000,000. The number of people profitably employed was double; freight was tremendously increased and pig iron production was increased from 9,000,000 to 36,000,000 tons.

Canada has not enjoyed that expansion of trade and commerce. In 1922 there was a national income of 60 million dollars in the U. S. but that country has, too, been suffering from the burden of taxation. 14c. of every $1 spent by the people went to pay taxes, but we find that they are now going to have the pleasure of accepting a 25 per cent. rebate of income tax, which should in itself act as a great stimulus this year.

Canadian Prospects

In Canada there has been a very steady trade in 1923. Activity has been uniform and an improvement over 1922. During the fall of the last two years, I went through the wheat country in the fall, and the further west I went more optimistic were the people, particularly this last year. Some say the farmer is not making money, but the country as a whole is making money. You cannot produce a billion bushels of grain in three provinces with a population of 1,900,000 and distribute half a billion dollars among them without someone getting the benefit, and if I am any judge of the men I met on the train going abroad, they are certainly some who made money. Those who made money were the ones who had been on the land for some years, and didn't pay high prices for it. To-day, there is developing more of a tendency of mixed farming. In the maritimes last year the sickest conditions in Canada were to be found, due to the small purchasing power of European and South American currencies. There were no large buyers of fish. The snow was so deep that the lumber cut was reduced 50 per cent. But this is not the condition this year. Quebec looks for better conditions than last year because there is a lot of lumber to be cut. Price Bros. have more men in the woods this winter than ever before, numbering three thousand. There was much Hydro development work at various points. The pulp and paper industry is flourishing.

Railroad Car Orders Help Steel Situation

With pig iron prices firm but unchanged, announcement of the awards of several railroad car orders coupled with the intimation of large requirements being imminent were features of the week, says Canadian Machinery.

In the ingot metal market price movements continued in an upward direction, the chief features being the climb of tin. It is difficult to judge exactly what is going on, but while consumption is exceedingly good, buyers have practically withdrawn from the market at present levels, so present prices are doubtless the result of speculation on the part of large interests.

In the United States an increase of 353,190 tons in the unfilled orders of the Steel Corporation last month, in the face of large production, marks the heavy volume of recent buying. Floating of the Japanese reconstruction loan which is near at hand will open a tremendous demand for building steel, it is believed. A feature of the week was the sale by American mills of 8,000 tons of sheets to Canada.

MORTGAGE COMPANY QUITTING ALBERTA

President of Associated Mortgage Investors Says it is Because of Legislation

Regarding the decision of the Associated Mortgage Investors, Rochester, to withdraw from the Alberta field, President Campbell has written the following letter to the Edmonton Journal:

"With the great abiding faith which we have in the province of Alberta, nothing would be more to my liking than bringing increased capital from the United States into your province, and it is therefore with regret that I have had to withdraw this company from active business in making new loans within the province on account of conditions for which we possess no remedy. These result from certain unfortunate and unfavorable laws which undermine the whole principle of the first mortgage.

"The principle of the first mortgage is that the amount loaned is definite. There is nothing speculative or open to chance in the first mortgage as it is intended. In its operation in Alberta the principle is not followed and the holder of the first mortgage has nothing definite as to the amount which he has in the property, because of the various charges which can be made and which can become in reality, a part of the mortgage. This represents a hazard in doing business which can only be covered by high interest rates and lending a very small amount on each farm. The farmer's chief source of credit is his land and he should be able to borrow against it the largest amount possible at the lowest possible rate of interest. Anything, therefore, tending to make the rate go up is not to his advantage and strangely enough it is not to the advantage of the mortgage company. We prefer lower rates because they indicate more sound conditions.

"Taxes as at present collected are charged to the mortgage companies when badly in arrears, instead of an adequate effort being made to collect taxes out of the season's crop, and these, with the other charges which can come in ahead of the first mortgage, make so much uncertainty as to where the mortgage stands, that our company feels itself unable to lend money except at such high rates as to make it prohibitive to the borrower and we have therefore, much against our will, been forced to suspend our business in the province; yet hoping that the laws will soon be modified to bring Alberta back where it ranks, not only even with, but ahead of other farming communities. We regret that our hands are tied and as soon as there is a change we look forward to again loaning there.

D. A. CAMPBELL,
President, Associated Mortgage Investors."

MACKENZIE ESTATE UNDER TWO MILLION

Late Power and Traction Magnate's Estate Will Take Time to Valuate

The value of the estate left by Sir William Mackenzie is unknown. For the purposes of probate it is inventoried at $1,775,000. This is not believed to represent the possible gross amount, but when completely realized upon, the net amount may be considerably less. Sir William's holdings were scattered the world over. It will take some time to appraise these interests and a much longer time to realize on them. The executors have been granted wide powers in delaying disposal if they consider it in the interests of the estate. Disposition of the estate is provided in the same way as the law would have directed it had Sir William died intestate. His children and grandchildren are the beneficiaries.

	Out of Ontario	In Ontario
Household goods ..		$ 145,000.00
Farm implements		1,000.00
Farm produce ...		1,000.00
Horses, cattle, etc.		3,000.00
Other property ..		20,000.00
Real estate	$54,000.00	553,400.00
Money secured by mortgage	3,030.00	3,900.00
Book debts and promissory notes		200,100.00
Securities incl. life ins., cash, etc...		566,717.62
Stocks	40,242.28	183,788.00
Miscellaneous .. .		500.00
	$97,272.28	1,678,305.62
		97,272.28
		$1,775,577.90

B. C. ELECTRIC FINANCING

The British Columbia Electric Railway is issuing debentures totalling around £750,000 to bear interest at 5 per cent., which will be offered in London at 95. The debenutres will be redeemable in 1934.

CONSOLIDATED SMELTERS

Ore shipments to the smelter at Trail of the Consolidated Mining & Smelting Co., show a steady increase.

Receipts of ore so far this year total 46,643 tons as compared with a little less than 45,000 tons for the same period last year.

CANVASSING BY AGENTS OF PROVINCIAL SAVINGS OFFICE IS NOT PERMITTED

Ontario Government Issues Peremptory Orders on Strength of Information Supplied by The Financial Post

The news in THE FINANCIAL POST of three weeks ago that canvassers representing themselves as agents of the Ontario Provincial Savings Office were approaching large industrial institutions on the combined savings and insurance plan having been brought to the attention of the government, Premier Ferguson asked for definite information. He explained that the attitude of the government was against aggressive canvassing for deposits and that instructions had been given in this connection.

Definite information was given by THE FINANCIAL POST as to two industrial companies which had been approached by the canvassers, at one of which a meeting of some 600 employees was held which they addressed.

On the strength of this information the government is giving peremptory orders that this system of canvassing is to cease. Premier Ferguson states that instructions had previously gone out more than once to this effect.

Says Canada Will Drop Sales Tax

In suggesting a turnover tax to fill the revenue gap in the United States if the supertaxes are abolished, the Bache Review expresses the opinion that Canada has made a mistake in extending the sales tax and that in the end this country will revert to the turnover tax:

> A proper substitute for surtaxes, to provide the revenue necessary to fill the gap, is the sales or turnover tax, and this is what all good citizens work for. Wherever the sales tax has been introduced, it has become a permanent and effective method of raising revenue easily. Its simple provisions should be adhered to.
>
> Unfortunately, in Canada, there has been political manipulation of the system, which has gradually increased the percentage required and made the levy on particular sales, instead of spreading it over all sales. This has produced friction, and we expect to see Canada revert to the original turnover tax. No other country which has adopted the turnover tax has materially changed its working, and some countries have had it in successful operation for years.
>
> In France, this tax has become one of the most reliable sources of revenue to the French Government. In 1923, receipts totaled 3,015,801,000 francs. The returns had been steadily increasing each year. Those of 1923 exceeded the 1922 returns by 32 per cent., and the 1921 returns by 58 per cent.

Recognition Will Not Enable Soviet to Purchase Goods

(Continued from page 1)

contempt for the public interest which must retard the growth, and any disinterested and effective groups whose conscientious labors might once more build up the ruined institutions. It may be that the aristocracy and bourgeoise of the former regime were corrupt, but corruption does not seem to have disappeared with them. A Soviet commissar who recently left Russia has reported that the new middle class is more corrupt than the old.

The fact is that no serious effort has yet been made towards the organization of Russian society on any basis whatever. The Soviets are revolutionary bodies, they do not constitute an administrative system. The practical way of looking at the question, seems to be: Establish a social system on any given basis—communism, socialism or individualism; but get the administrative mechanism appropriate to any given system established and made to function properly. Whether the Russian people unaided can do that, remains to be seen. They have never done so in their previous history. They have always suffered themselves to be governed by others. The Tartars conquered and controlled them, so did the Norsemen; and for centuries they have been governed by people of German extraction. Their most important industries have, since their beginning in the eighteenth century, been conducted by foreigners— Englishmen, Germans, French and Belgians. Their most celebrated military commanders have been of German or Armenian extraction. The Slav is prolific and sometimes industrious. He is often idealistic but still more often superstitious, unstable in his opinions and impracticable in his social relations.

Under the old régime the very facts that the country was under foreign political domination, and that the control of industrial and commercial capital was largely in foreign hands accentuated the hostility of the masses who looked upon themselves as being exploited by the foreigners, as indeed to a great extent they were.

Thus, given the collapse of the dynasty the whole system fell into confusion and the Revolution swept it wholly aside. But in sweeping the social system aside, the means whereby the enormous population subsisted itself were swept aside also and famine inevitably supervened. How to build up the ruined country afresh, is the hardest of problems and for the solution of this problem the present group of Soviet Republicans seem eminently unfitted either by experience or ability.

Under the old régime, defective as it was in many ways, there were the still more defective forces of Russian society, and the régime being gone the deficiencies of that society were thrown into more prominent relief. In spite of administrative defects, the old régime was efficient enough to permit the growth of Russian agriculture in such a way that Russia became in normal years the greatest grain exporting country. Now agriculture has declined to such an extent that a trifling amount of export is hailed as a new and commendable affair. The system of transport has been so disorganized that even if the peasants were producing normal quantities, which they are not, the grain could not be transported to the ports of shipment.

In some ways the failure of Russia to maintain its position as a grain exporting country, has not been without advantage to Canada and the United States, although it has been a great disadvantage to the people of Central Europe. If Russia had been throwing into the grain market large quantities of wheat, the competition would have brought down the price of wheat in Europe to a very low point. At the present time, wheat is being produced and sold, although not in very great quantities in Eastern Europe, at about 35 cents per bushel. One of the consequences of paper money inflation seems to be the extremely low scale of gold prices which follows restoration of a sound currency. This phenomenon has appeared in Germany and it is now appearing in Russia. If, therefore, either because the Soviet Government manages its business in an inexpert way or because the government must sell and sell quickly, there have been some sales of grain and other produce from Russia, these sales have taken place at very unfavorable prices.

There is no proof whatever that in any other branch of trade there is any other history to relate. Production has dwindled. The working force of the factories has returned to the villages from which it came. There is no purchasing class to demand foreign goods and there is no product with which to pay for these foreign goods if they were demanded. Credit could only be effectually employed in re-equipping the railways and in enabling the factories to resume operations; but credit can only be confided to persons who are competent to utilize it and conscientious enough to be entrusted with the care of funds. The Soviet Government by its very principles, dissociates itself from any question of honest administration of capital, which it abhors and does not disguise its intention when convenient occasion arises to confiscate again as it has confiscated before. Many recent attempts on the part of foreign enterprises, to arrange Russian credits, have failed precisely for the reasons mentioned.

The British working men, or some of them, seem to have trusted the legend, that delay in recognizing Russia was the sole cause of unemployment, and that recognition of the Russian Soviet Government would immediately bring plenty of orders to British shipyards and engineering shops. Whatever may result from the recognition of the Soviet, one consequence may be confidently anticipated, viz., that recognition of itself will not make the slightest difference in the economic position of Russia, of Great Britain or of this country.

MINERS OBEYING ORDER OF LEWIS TO GO TO WORK

(Continued from page 1)

prospect of financial assistance from Indianapolis, there is no doubt the Montreal contract would have been repudiated and an attempt made to negotiate a more favorable settlement.

In reply to direct enquiries from the locals as to strike assistance, John L. Lewis referred the men to the provisional district officers, who in turn stated positively that there would be no International assistance and that, moreover, if the men voted against the contract they might expect to have their charters cancelled.

Lewis Is Dictator

In other words, the action of Lewis and Barrett amply confirms what THE POST has said from the first about this negotiation: that the rank and file of the miners of Nova Scotia have not one word to say about the matter—they must take what Lewis hands them or get out and fight for themselves as a local organization. Under such circumstances, the men are wondering why a "referendum" is to be held at all, as they hold that a ballot in which they are allowed to vote only one way is no referendum at all in the democratic sense. It was expected this vote would be taken during the week, but Barrett, alarmed at the evidences of hostility, states to-day that it will probably not take place until the "district has settled down again." He considers that after the men have been earning again for a few weeks they will not be so ready to vote to break the contract. At any rate, the men are going back to work under rates which they consider too low and a contract which they think is not long enough. The peculiar circumstances of the proposed "referendum" simply aggravate these feelings of grievance and oppression which are directed more at their provisional officers than at the coal operators.

Men Are Suspicious

So acute has this feeling become and so openly have insinuations been made that Barrett and Dalrymple have felt it necessary to issue frequent statements to the press denying positively that there was any collusion between themselves and the operators in the recent wage negotiations. While the local business community is glad to have peace at any price, there is much disappointment that the contract is not for a three-year period similar to the settlement in the United States. For they know that the grievances of the miners, driven underground for the present by force of circumstances, will flare up in local strikes and disturbances during the year and will ultimately end in another major wage dispute next January.

What Nova Scotia needs is industrial peace, but the outlook for it, though better than at this time last week, does not look any too promising. The present settlement is merely one of expedience. A lot depends on the referendum, when it is taken. So far as present indications go, the majority of the men will refrain from voting altogether as they do not want the provisional officers to be able to say in the future: "What are you kicking at? You endorsed the contract."

Dominion Textile Co., Limited

NOTICE OF DIVIDEND

A DIVIDEND of One Dollar ($1.00) per share on the Common Stock of DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st March, 1924, payable April 1st to shareholders of record March 15th.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, February 8th, 1924.

Town of KENORA, ONT.

Tenders for Debentures

SEALED Tenders addressed to the undersigned will be received, up to noon, Monday, the 25th day of February, 1924, for the purchase of the following debenture issues of the Town of Kenora:

By-law No. 852, $20,000.00—6%, 20-year, Public Improvement Debentures, dated March 1st, 1924, payable March 1st, 1944.

By-law No. 825, $11,687.76—5½%, 30-year, Consolidated Debt Debentures, dated July 1st, 1923, payable December 31st, 1953.

Separate bids may be made for the above issues. Full particulars will be supplied upon application.

F. J. HOOPER,
Treasurer.

Town Of Cochrane

TENDERS WANTED

TENDERS will be received by the undersigned up to Feb. 26th, 1924, for the purchase of $5,500.00 Debentures, bearing interest at 6%, dated December 1st, 1923, coupons attached. The debentures are to be used to extend and improve the present telephone system. Debentures are authorized by by-law No. 304, passed 14th day of August, 1923.

R. C. MORTSON,
Clerk and Treasurer.

CITY of VERNON

Tenders for Debentures

Tenders will be received by the undersigned up to and including Monday, March 10th, for the purchase of $25,000 Electric Light, 15-year, 5½%. Also $6,000 "Kalamalka Lake Beach Loan By-law" 15-year, 5½% CITY OF VERNON. Debentures due 1st February, 1939, interest payable half-yearly on the 1st days of February and August, at any agency of the Bank of Montreal in Canada, or London, England. The highest, or any, tender not necessarily accepted.

J. G. EDWARDS,
City Clerk.

The Canadian Bank of Commerce

DIVIDEND No. 148

NOTICE IS HEREBY GIVEN that a dividend at the rate of Three per cent. has been declared on the capital stock of this Bank for the three months ending 29th February, 1924, payable at the Bank and its Branches, on and after Saturday, 1st March next, to shareholders of record at the close of business on the 14th day of February, 1924.

The dividend payable on the new stock issued this month will be at the rate of two per cent. only.

By Order of the Board.
JOHN AIRD,
General Manager.
Toronto, 18th January, 1924.

BANK OF MONTREAL

NOTICE IS HEREBY GIVEN that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this institution has been declared for the current quarter, payable on and after Saturday, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1924.

By Order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 22nd January, 1924.

The Bank of Nova Scotia

DIVIDEND No. 217

NOTICE IS HEREBY GIVEN that a Dividend at the rate of four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending March 31, 1924, and that the same will be payable on and after Tuesday, the first day of April next, at any of the offices of the Bank in Canada.

The Stock Transfer Book will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board,
J. A. McLEOD,
General Manager.
Halifax, N.S., February 14th, 1924.

MEXICO TRAMWAYS CO.

General Consolidated First Mortgage 50-year 5% Gold Bonds

NOTICE IS HEREBY GIVEN that on and after 1st March, 1924, Coupon No. 22, dated 1st September, 1917, detached from the above Bonds, will be paid at the Bank of Montreal, Toronto, Montreal or London, England, or at the agency of the Bank of Montreal, New York, N.Y., at the holder's option.

Dated at Toronto this 15th day of February, 1924.

MEXICO TRAMWAYS COMPANY,
R. H. MERRY, Secretary.

CANADIAN PACIFIC RAILWAY COMPANY

Dividend Notice

At a meeting of the Board of Directors held to-day the following dividends were declared:

On the Preference Stock, two per cent. for the half-year ended 31st December last;

On the Common Stock, two and one-half per cent. for the quarter ended 31st December last, from railway revenues and Special Income;

Both dividends are payable 1st April next to Stockholders of record at three p.m. on 29th February instant.

By Order of the Board.
ERNEST ALEXANDER,
Secretary.
Montreal, 11th February, 1924.